



LA Fashion District Business Improvement District

2014 Activity Reports

First Quarter

REC'D MAY 6 2014
FASHION DISTRICT
S.E. DIVISION

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2014 OPERATING BUDGET SUMMARY

The total improvement plan budget for the 2014 Fashion District BID is \$3,570,800.

FINANCE

2013 Annual Audit and Financial Statement Approved

The accounting firm Gleicher, Tilley, Leonard, LLP (GTL, LLP) conducted the annual audit and prepared the 2013 financial statements. The Finance Committee recommended Board approval of the draft Financial Report for the year ending December 31, 2013. The Board of Directors unanimously approved the audit at the meeting on March 20, 2014.

Field Office and Parking Lot Leases Approved

The Finance Committee recommended approval of the field office and parking lot leases. On January 23, 2014 the BID Board of Directors approved both leases with an amendment to the parking lot lease that removes the 30 day cancellation clause if the property is sold.

Proposed 2014 Second Quarter Finance Activities

- Prepare for Annual Property Owner meeting.

PUBLIC SPACE MANAGEMENT ACTIVITIES

| | | |
|---------------------------|--------------------|--------------------------|
| 2014 Annual Budget | \$2,759,180 | 77% of the budget |
|---------------------------|--------------------|--------------------------|

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

First Quarter Contact Summary

BID Safe Team officers conducted 3,780 **Citizen Assist** events during the 2014 1st Quarter. Welfare Checks doubled during the 2014 1st Quarter to 1602 compared to 811 during the 2013 1st Quarter.

Disorderly Conduct saw a slight decrease increase in activity with 1,474 total incidents recorded compared to 1,560 incidents recorded in the 2013 1st Quarter. **Trespassing** incidents also increased.

Illegal Vending totals increased significantly compared to 1st Quarter 2013 records. 2014 1st Quarter records show 1243 incidents and 2013 1st Quarter records showed 813 incidents.

Unlawful Lodging decreased from 1164 in the 1st Quarter 2013 to 819 recorded during the current quarter.

Robbery / Vandalism decreased significantly from 300 incidents recorded in 1st Quarter 2013 compared with 90 incidents recorded during the current quarter.

LAPD Chief Charlie Beck Addresses CCA

On March 6, 2014 we attended a meeting at the Central City Association (CCA) where Los Angeles Police Department Chief Charlie Beck addressed Los Angeles' success in reducing crime over the last 10 years. Comparing Los Angeles to other major cities such as New York, Los Angeles has a fraction of the police force per capita and still delivers higher quality services with a smaller budget. Los Angeles is now the safest big City in the U.S. due to work of the police department as well as the help of BID Safe Teams throughout the City.

Chief Beck also talked about the Department's struggles addressing homelessness, pointing to the Jones settlement and Lavan v. City of Los Angeles as two legal instruments which limit his officers' ability to address homelessness constructively. He admitted that much of the solution is driven by the lack of affordable housing in Los Angeles and the need for the City to implement policies to increase housing capacity and density.

Illegal/Sidewalk Vending Problems and Proposed Ordinance

Councilmembers Huizar and Price are proposing a Sidewalk Vending Ordinance for food items in order to regulate activity. Several property owners and Board Members voiced concerns about the city's ability to enforce the ordinance. The BID is concerned about trash collection costs, diminished quality of life in neighborhoods, and added that sidewalk vending is a city-wide problem. The Chief Legislative Analyst's Office will release an initial report of preliminary findings in April.

At the BID's Operations Committee meeting on February 27, 2014, LAPD Captain Prokop, Newton Division, made it clear that no enforcement on illegal vending would be initiated without the support of Council District 14. See the Advocacy/City Issues section for more information.

Graffiti Taggers Arrested

LAPD arrested a person suspected of defacing the Banksy mural located on the Sparkle Factory building at 928 S Broadway. BID officer Nancy Alonzo provided LAPD with a detailed description of the suspect who was impersonating a City worker.

On February 15, 2014 the Safe Team observed a graffiti tagger at 209 E Pico. LAPD were contacted and the wanted gang member from Ventura was arrested.

Animal Cruelty Task Force Update

Illegal pet vendor Juan Mena was sentenced to 8 months in jail for entering the Fashion District against a judge's order. BID Safe Team Officer Alonso testified at the trial. The task force is preparing for another enforcement effort during the Easter holiday.

Animal Cruelty Task Force was out in force during the December holidays and will continue with the upcoming holidays - Valentine's Day and other. Tampa also advised the Committee that Juan Mena and his wife, who were on trial for a variety of animal related crimes, were convicted of all charges. Juan Mena was sentenced to 8 months in County Jail and his wife received probation. The District got a special commendation from the Bunny World Foundation.

Downtown Hospitality Forum

We attended LAPD's Downtown Hospitality Forum in February to discuss the growing number of entertainment venues in downtown Los Angeles.

Captain Oreb complimented the quality of entertainment venues in downtown and said one of the reasons Central Division crime is down is thanks to responsible operators. We also met LAPD officers and detectives

from Vice Division's Special Enforcement Section. We discussed ways BIDs could help Vice Division address concerns about irresponsible liquor sales at several stores in the District.

Saturday Protest March

A protest march on Saturday, February 22nd closed Broadway Blvd for several hours. The BID worked directly with LAPD to coordinate efforts to minimize traffic problems for those traveling to and from the LA Fashion District.

Proposed 2014 Second Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.
- Prepare for Annual Property Owner Meeting.

PUBLIC SPACE CLEAN PROGRAMS

The Fashion District BID clean programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Storm Preparedness

The LA Fashion District Clean Team cleaned storm drains before a rainstorm in March and helped avoid storefront and street flooding.

Wayfinding Signs Getting a Clean Up

Stickers and graffiti that blight the Wayfinding Signs in the district are being removed by the Clean Team. The Wayfinding Sign system, installed in 2007 throughout downtown LA, helps pedestrians and drivers to find destinations and parking.

Trash Tonnage Increases

Trash tonnage in the District continues to increase. In addition, the Clean Team is picking up a lot of e-waste which is being deposited in the alleys by some merchants. The BID will contact *Isidore Electronics Recycling* located in Chinatown District to discuss e-waste issues.

Illegal Dumping Problems Escalate

Everything from spas to sofas to construction materials are being dumped in the district's alleys, on sidewalks and in streets. LAPD SLO Karen Owens is contacting neighboring merchants in hard hit areas to ask for help in identifying offenders. The BID is picking up all dumped items and hauling them to the collection stations since the City services do not respond soon enough to keep the streets clear for daily business.

Dump Fee Increase

Due to an increase in operational costs the Bureau of Sanitation is increasing dump fee rates starting April 1, 2014 from \$52.00 to \$54.00 a ton – equal to a 3.85% increase. The City had not increased this rate since February 2009.

Graffiti Removal

2014 first quarter graffiti removal records show an increase compared to 2013.

| <u>Graffiti Removal – 1st Quarter</u> | 2014 | 2013 |
|---------------------------------------|-------------|------|
| January | 1,274 | 908 |
| February | 1139 | 756 |
| March | 1204 | 840 |
| Total | 3617 | 2504 |

Trash Tonnage

In the Fashion District, Trash Tonnage has always served as a leading economic indicator. For example, when Lehman Brothers filed for bankruptcy in 2008, trash tonnage in the district fell by 18%.

| <u>Trash Tonnage– 1st Quarter</u> | 2014 | 2013 |
|--|-------------|------|
| January | 170 | 166 |
| February | 166 | 165 |
| March | 192 | 191 |
| Total | 528 | 522 |

Sidewalk Cleaning

5,641,285 square feet of district sidewalks were cleaned during the first quarter using scrubbing and pressure washing equipment.

Proposed 2014 Second Quarter Public Clean Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

MANAGEMENT

2014 Annual Budget

\$606,720

17% of the Overall Budget

This portion of the annual Fashion District BID budget includes all Management and Communications service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, and the North and South Alley Overlays.

MANAGEMENT PROGRAMS

GOVERNANCE

Fashion District Board of Directors Officer Election

Board Members elected the following Officers for 2014:

- Chair: Jorge Flores
- Vice Chair: Steve Hirsh
- Treasurer: Mark Cohen
- Secretary: Darlene Kuba

ADVOCACY/CITY ISSUES

Proposed State Bill Addresses General and Special Benefit

Court rulings have resulted in confusing the issue of benefit received by property owners in business improvement districts and BIDs are looking to the legislature to create guidelines. A bill AB 2618 will be carried by Speaker John Perez and State Senator Kevin DeLeon. If it passes then legislation will state there is no general benefit associated with BID services which will be a major advantage for BIDs across California. The BID Board of Directors approved a letter of support for the bill by a consensus of the Members. The support letter is included in the attachments.

Illegal Vending and Sidewalk Sales

There is a large amount of illegal vending that is occurring around the San Pedro Wholesale Mart (located at 1100 S San Pedro St.) on Saturdays between 6:00am & noon in LAPD Newton Division.

We photographed the illegal sidewalk vending over a period of three Saturdays and each photo eloquently portrays the extent of illegal vending going on every Saturday in the Fashion District. (photos are attached) Fashion District merchants & property owners are outraged by the extent of the illegal vending and the complete lack of enforcement of the LA municipal codes here.

This illegal sidewalk vending has become a significant public safety hazard for not only pedestrians who must use the street to pass through the area but for firefighters & ambulances responding to emergency calls here. In addition the "flea market" itself is a dangerous fire hazard where fire can quickly spread between buildings and within the market.

LAPD Central Division has a robust vending task force that minimizes illegal vending in the Fashion District west of Maple (the boundary between Newton & Central). Unfortunately LAPD Newton Division does not have the resources to address the problems of illegal vending around San Pedro Street.

The BID invited Newton Division's Captain Prokop and our stakeholders to a meeting on February 27, 2014. Clearly there is an "uneven playing field" for vending enforcement in the LA Fashion District because of the Newton/Central boundary. CD 14 representatives were invited to participate in this meeting however no one attended. At the BID's Operations Committee meeting on February 27, 2014, LAPD Captain Prokop, Newton Division, made it clear that no enforcement on illegal vending would be initiated without the support of Council District 14.

We sent a letter to Council District 14 asking for support to coordinate enforcement of the rampant illegal vending taking place Saturday mornings in Newton Division. The LA Fashion District BID is prepared to help with this enforcement effort anyway we can.

Concurrently Districts 9 and 14 are considering coordinating a vending district. Sidewalk sales would be permitted. The BID sent comments on the problems associated with illegal vending but has not been invited to participate in the discussions. At a recent Santee Alley Association meeting Members said their merchants are concerned about the cleanup costs resulting from sellers who are not paying into the BID services. BID colleagues oppose this effort. We attended a meeting at the Central City Association where BIDs discussed reasons to oppose illegal sidewalk vending.

On Friday, February 28th several representatives from downtown BIDs met with the City Legislative Analyst's office to voice concerns about a proposed sidewalk vending pilot project. We presented this list of concerns at the meeting:

LA Fashion District BID's basis for opposing illegal sidewalk vending:

1. **First Pilot Project:** In 1998, McArthur Park was used as a pilot project for sidewalk vending. It was a failure because of a lack of enforcement of illegal vending elsewhere. There was no reason for vendors to obey the rules & locate within the vending district. The City does not and will not have the capability to enforce sidewalk vending rules. Legitimizing sidewalk vending by establishing vending districts will only encourage the proliferation of vending throughout the City.
2. **Sidewalk Repairs:** Sidewalk vending would allow the private commercial use of the sidewalk at a time when the City of Los Angeles is considering making the adjacent property owner responsible for sidewalk repair & replacement. Allowing sidewalk vending could prevent the City from assigning responsibility of sidewalks to property owners.
3. **Liability:** The City already pays millions of dollars in claims for slip & falls on sidewalks. Allowing private commercial use in the form of sidewalk vending blurs the responsibility for sidewalk slip & falls...how can property owners take responsibility for this when they do not control the use of the sidewalk. Property owners cannot be held responsible for the sidewalks when the City permits the private use of these sidewalks for vending without their consent.
4. **ADA Compliance:** Sidewalks are often narrow & sidewalk vending can put the City at risk for ADA lawsuits & force pedestrians onto the street creating safety hazards. The City does not have the capability to enforce sidewalk vendors to comply with ADA .
5. **Trash Removal:** Sidewalk vending generates trash and unlike BIDS where property owners pay for trash removal on the public sidewalk there is no mechanism to ensure the payment of trash removal by sidewalk vendors. The Fashion District has operated a volunteer program for trash removal generated by mobile vendors for a number of years but with no enforcement, only 4 mobile vendors out of more than a hundred pay for this service. Almost all the rest of the mobile vendors use BID receptacles at no charge or dump their trash on the street. In addition most BIDs are paying millions of dollars per year to keep the sidewalks clean through daily sweeping & pressure washing. No sidewalk vendors will contribute to maintain neighborhoods through a BID assessment.

6. **Permit Compliance:** Normally when the City allows private use of the public sidewalks, permits are required. In the case of sidewalk dining these permits are revocable & are expensive. Even special events using the public sidewalk require permits. This gives the community and neighbors a chance to comment & express their concerns about the use of the sidewalk. How will the public have input on sidewalk vending in their neighborhood?
7. **Sales Tax and Property Taxes:** Commercial districts are integral to creating great neighborhoods and the addition of ground floor small businesses have been the key ingredient in the revitalization of every neighborhood in Los Angeles from downtown to Granada Hills & Lincoln Heights. Sidewalk vendors do not pay BID assessments and do not contribute to these neighborhoods. Bricks & mortar small businesses go through an expensive permitting process and spend a large amount of money providing restrooms and common areas for their customers. Sidewalk vendors have no such requirements & therefore have a competitive advantage over these neighborhood small businesses. In fact their common area is the public sidewalk which is paid for by property taxes, the responsibility of property owners and merchants through their rents not by sidewalk vendors. There is also no mechanism to ensure that sales taxes paid will benefit the City of Los Angeles. This is especially true when many commissaries are located outside the City of LA.
8. **Diminished Quality of Life in Neighborhoods:** Mobile vendors who pay one parking ticket a day as their rent already use the sidewalk as their customer space and unfairly compete with neighborhood small businesses. Residents and businesses have no say as to where these mobile vendors locate or their hours of operation. Legitimizing sidewalk vending will continue to erode the viability of neighborhood businesses and will ultimately lead to the deterioration of the quality of life of its residents.

CD 14 Policy Director Martin Schlageter attended the BID Board Meeting on March 20, 2014 to discuss illegal vending along with other issues. Schlageter said Councilmembers Huizar and Price are proposing a Sidewalk Vending Ordinance for food items in order to regulate activity. Several property owners and Board Members voiced concerns about the city's ability to enforce the ordinance. The BID is concerned about trash collection costs, diminished quality of life in neighborhoods, and added that sidewalk vending is a city-wide problem. The Chief Legislative Analyst's Office will release an initial report of preliminary findings in April.

New Cecil

The LA Chamber of Commerce announced endorsement of the project on January 9, 2014. A representative from the County Mental Health Department provided a summary of the proposed New Cecil at the December 2013 Board of Directors meeting. This permanent supportive housing project, to be located at 640 S Main, will house and provide internal support services for the most vulnerable downtown homeless individuals. 20% market rate units are planned. The County of Los Angeles is contributing funds to the housing project for the first time. The New Cecil building is located just outside the north border of the LA Fashion District. Members discussed their concerns about density and the spill-over effect that will impact the growing retail and residential neighborhood. At their meeting on January 23, 2014 Board Members agreed to support the project.

As of March 2014 this homeless housing proposal is no longer going forward for lack of support from the County level. There are 305 people sleeping on the streets of the LA Fashion District according to a recent count. We need a solution.

Councilmember Gil Cedillo Leads Housing Discussion

At the March 13 meeting of CCA's Housing, Land Use & Development Committee Councilmember Gil Cedillo discussed the City's housing crisis.

The Councilmember was pleased to announce that he will be crafting a new policy and approach to housing in the City of Los Angeles. His philosophy is that housing affordability is not strictly an affordable housing issue.

Rather, it is an issue of the City allowing enough housing construction of all types so that demand can be met, and prices can fall. He encouraged those in the room to build in his district, just West and North of Downtown.

The Councilmember emphasized that this is just the beginning of a conversation and that he plans to take into account the private sector perspective. Specifically, he understands the importance of process predictability which can help developers manage project timelines and budget proportional carrying costs.

CCA will be forming a smaller working group to work directly with the Councilmember's staff as he spends the next 120 days crafting the approach. Those interested in participating should contact CCA Director of Legislative and Legal Affairs,

Community Plan Update Meeting – Monday, February 3, 2014

The City of Los Angeles Department of City Planning conducted a Community Outreach on February 3rd in the LA Fashion District's Cooper Design Space, 860 S Los Angeles St.

The purpose of the meetings was for participants to engage in conversation on relevant planning topics related to the future of Downtown and launch the process to complete the Specific Plan begun by the Community Redevelopment Agency. This is an opportunity to get the work done by AECOM for land use changes back on track.

Over 75 stakeholders engaged in conversations on relevant planning topics related to the future of Downtown with staff from the City of Los Angeles Planning Department on topics including Urban Design, Mobility, Sustainability, Land Use, Zoning, Station Area Design, Economic Development, Livability, etc.

BID Board Members, City officials, residents, and downtown community members discussed a myriad of topics that are important to updating the Downtown Community Plan.

The Planning Department was pleased with the amount of participation and the tremendous amount feedback that delivered a consistent message of the need for rezoning and more transportation in the LA Fashion District.

Plan Re:code LA Update

We attended a Recode LA Community Meeting on March 19, 2014 to comment on the recently released update report to reinforce the need for rezoning and more transportation in the district.

LA Express Park™ Updates Parking Meter Rates on February 3

LA Express Park™, a demonstration project from the City of Los Angeles Department of Transportation (LADOT), is updating parking meter rates and implementing a time-of-day pricing strategy on additional blocks in Downtown to improve parking management. In the Fashion District there are several areas where meter rates will increase and some decrease.

Complete Streets Day

The City of Los Angeles officially designated Wednesday, March 5, 2014, Complete Streets Day in the City of Los Angeles. The resolution, presented by Councilmember José Huizar, was heard and voted on by the Los

Angeles City Council and aims to bring focus and awareness to the ground-breaking policy approach, which advocates for increased pedestrian, bicycle and multi-modal transportation use. LA Fashion District BID staff attended the ceremony to help recognize the Councilmember's work in bringing more pedestrian friendly streets to his district.

Great Streets in Downtown

In a letter to the Mayor this week, Councilman Huizar advocated for the numerous streets in the district that he has nominated for the "Great Streets" initiative. Among the streets nominated by Councilmember Huizar are: Broadway, Figueroa, Grand, Los Angeles St., Main St., Spring St., and Seventh St. in Downtown Los Angeles.

DTLA Streetclosure Committee

In response to a number of growing concerns about the increasing number of special events that require street closures in Downtown, Councilmember Huizar is putting together a DTLA Streetclosure Committee which will advise on the number of events permitted to close down streets in Downtown, the type of outreach that needs to be done and mitigation measures that need to take place. The Committee will review applications for street closures in Downtown and make recommendations on guidelines and regulation. Representatives from key downtown organizations were invited to attend. BID Managing Director Lynn Myers will attend for the Fashion District BID.

New Reporting System

The Economic Development Office has asked all BIDs to submit a quarterly report that provides details of BID services and activities. The report is included in the attachments.

Neighborhood Council Elections – April 3, 2014

The Downtown Los Angeles Neighborhood Council (DLANC) Board of Directors will hold its next election for all 28 board positions on Thursday April 3rd. The election will be at the Downtown Central Library from noon to 8 PM. There is no voting by mail.

BID Managing Director Lynn Myers is running unopposed for the Fashion District Business Representative seat. Two residents are competing for the Fashion District Resident Representative seat. Former Board Member Dan Bartholomew is one of the two candidates running for the Resident Seat.

ECONOMIC DEVELOPMENT

BID Day at the Economic Development Committee

Representatives from several Business Improvement Districts (BIDs) attended the City of Los Angeles' Economic Development Committee meeting on Tuesday, January 28th where they had a chance to reinforce the partnership between the City and the BIDs. Kent Smith spoke on behalf of the 39 BIDs in Los Angeles. A recent "State of the BIDs" report summarizes the contributions made by BIDs in Los Angeles. The report is attached.

9th/Broadway Residential Project

The City Planning Department has approved the apartment complex planned for Broadway and 9th Street by downtown developer Geoff Palmer. The Downtown LA Neighborhood Council (DLANC) Planning Committee and Board of Directors approved support of the project.

Two Historic Garment Buildings Being Converted Into Loft-Style Apartments

The Garment Capitol Building and Maxfield Building, both located on Los Angeles Street between 7th and 8th Streets will be converted to apartments by Los Angeles-based Capital Foresight Development. The conversions will significantly contribute to the ongoing revival of north Los Angeles Street. Capital Foresight expects to open both buildings in 2015.

Councilmember Huizar Announces Bringing Back Broadway's Façade Lighting Grant Recipients

\$750,000 in grants to 13 Broadway buildings will help light historic features, contribute to public safety and encourage night-time activity along the increasingly revitalized corridor. Three of the buildings are in the LA Fashion District BID. Installation of the final designs is expected to occur throughout 2014 and 2015. The program was funded through a Community Development Block Grant secured for Bringing Back Broadway.

Broadway Dress Rehearsal Update

Councilman Jose Huizar's Bringing Back Broadway initiative enters a new phase with the launch of a pilot-project streetscape improvement effort to beautify the corridor and encourage pedestrian activity on 11 blocks of Broadway Blvd between First and Eleventh streets. The City of Los Angeles will pay for all capital costs while the BIDS will maintain and manage the spaces. The BIDs are being paid by the City for cleaning & plant replacement. At the Board of Directors meeting on February 20th Members discussed the roll-out of the Broadway streetscape project Dress Rehearsal. There were a number of concerns including how homeless encampments will likely increase. The BID has already sent a letter with concerns to the Mayor and City Council.

The pilot project or "dress rehearsal" of the master plan will include temporary and semi-permanent materials to extend sidewalks, street furniture, plantings, and trimming the number of driving lanes on Broadway. Roadwork began Monday, February 3rd. The Broadway Streetscape plan transforms the Broadway corridor between 1st and 11th into a more pedestrian and transit-focused street. Beginning with a "dress rehearsal" that will be fully implemented by June, the streetscape will be reconfigured to have the following:

1 lane of vehicular traffic southbound

2 lanes of vehicular traffic northbound

Pedestrian plazas that will act as sidewalk extensions

Planters, tables, benches and bollards that will make pedestrian areas safer and more enjoyable

Consolidated bus stops no longer in the way of traffic flow

The LA Fashion District BID, Historic Downtown BID, and Downtown Center BID were asked to enter into a contract with the City of Los Angeles to provide management, operations and cleaning services for the Broadway Streetscape Master Plan Dress Rehearsal Project. We have worked with our BID partners and attorneys to ensure appropriate remuneration and liability. At their meeting on March 20, 2014 the Board of Directors discussed the terms of ending the contract and then agreed to approve the Broadway Dress Rehearsal Contract with the City of Los Angeles.

EVENTS/TRADESHOWS

A Day on Broadway – Saturday, January 25, 2014

Councilman Jose Huizar hosted a 6 year anniversary celebration of the of the Bringing Back Broadway initiative with tours and special events.

Ace Hotel Debuts L.A. Dance Project February 20-22

The 1600 seat auditorium at Ace Hotel is the new home venue of L.A. Dance Project. The dance company was launched in 2012 by world-renowned choreographer Benjamin Millepied. The February program will feature the U.S. premiere of "Reflections" choreographed by Millepied.

In keeping with L.A. Dance Project's commitment to the City of Los Angeles, the company announced its new artistic partnership with Ace Hotel, which began with three performances on February 20th, 21st and 22nd at the Theatre at Ace Hotel, formerly the historic United Artists Theatre.

Gift & Home Market Tradeshow Adds 3 Days at CMC

California Market Center (CMC) welcomed wholesale buyers from across the country in January and February for the Gift & Home Market show. Merging Gift, Home, and Design with Kids, Fashion and Accessories, buyers found an incomparable lifestyle market place found nowhere else on the West Coast. The show was extended to include Friday, January 31st to February 1st and 3rd. More than 25 wholesale tradeshows are hosted annually in the LA Fashion District that attract 52,000 buyers to downtown.

LA Textile Show March 10th

Wholesale buyers were choosing the colors and patterns of fabrics for the clothing you'll be wearing in 2015 at the Spring/Summer 2015 Los Angeles International Textile Show (LA TEXTILE). The tradeshow took place from Monday-Wednesday, March 10-12, 2014 at the California Market Center (CMC). LA Textile is the fashion industry's destination for premier textile, design and production resources.

LA Fall Market & Lines Directory Updates

LA Fashion Market Week Fall 2014 took place at all the major showroom buildings in the LA Fashion District, March 16-19. Fall Market is the second Fashion Market Week of the year and one of the most popular among local, national and international buyers. The BID updates the website Lines Directory prior to this and all Market Week shows.

Jamie Johnson Photography Exhibit Reception at the Cooper Building

Select photographs from Jamie Johnson's new series *Vices, or I Will Not...* are on display at the Cooper Design Space starting March 13th. The photographs offer an updated twist on the old-timey school-day punishment of writing on the chalkboard, but refer to the crimes of a new generation.

LA Fashion District Boasts Two of the Top 30 Concert Venues in Los Angeles

The Orpheum Theatre (Number 24) and the Theatre at Ace Hotel (Number 29) were both listed by the *LA Business Journal* in "The List." Nine of the 35 venues listed are in Downtown Los Angeles. The venues were ranked by seating capacity.

So You Think You Can Dance!

Season 11 auditions kicked off on March 23 at the historic Orpheum Theatre on Broadway Blvd. Hopefuls had the opportunity to show the judges they have what it takes to be America's Favorite Dancer.

SKYLINE 2014

SKYLINE a free, ten-day, annual architecture and art event showcased site specific, experimental, interactive installations that embraced Los Angeles' ever-evolving cultural landscape. During *SKYLINE*, architects, designers and artists transform unique, hidden spaces within downtown Los Angeles into destination places for visitors and locals alike.

During February 13 – 22, 6pm – 10pm nightly; community members were invited to wander the neighborhood to see 11 contemporary architecture and art installations located in Downtown Los Angeles Fashion, Historic

and Broadway Districts within building penthouses, historic banks and hotel lobbies, a rooftop plaza, a historic theater and other amazing architecture sites. Cooper Design Space was selected as an exhibition space and also hosted the VIP reception.

Proposed 2014 Second Quarter Administration/Advocacy/Economic Development Activities

- Continue to advocate for the Fashion District BID.
- Prepare for Annual Property Owner Meeting.

COMMUNICATIONS

The LA Fashion District BID Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

New Website to Launch

www.fashiondistrict.org is getting a makeover. The new website will launch in April. Last year the website had 15 million hits. The retail and lines searchable directories are the most popular features.

Business Survey

The BID is launching work on a district-wide business survey to update the one completed in 2012. The data is used to update the website Searchable Directory. Because businesses change frequently the BID intends to update the survey every other year using a professional survey and research firm to conduct the work.

BIDLINES Newsletter

The 2014 1st Quarter Winter-Spring newsletter was mailed to all owners in the district in March 2014. A copy is included in the attachments.

PUBLICITY

Ace Hotel

The Ace Hotel opening took front page in the media in January in local publications and several national magazines including Vogue and Elle.

Valentine's Day

Valentine's Day Flower Market business and traffic drew attention of 7 media crews.

Downtown Publicity

LA is attracting attention from east coast media. Councilman Huizar's office highlighted that although based in New York City, fashion magazine **Harper's Bazaar** decided to travel cross-country in order to use Broadway Blvd. as the location for their latest photo shoot. The clothing, created by some of the top fashion designers in the industry, reflected the retro styling and historic look of Broadway. Councilman Huizar's Broadway Initiative has opened the door to new economic development. Fashion companies and businesses continue to flock to Broadway, bringing with them great jobs and economic benefit to Downtown Los Angeles.

Travel Magazines and Television

Westways Magazine is coming to the Fashion District to work on a feature in the popular travel magazine. Univision is preparing a "make-over" show. Arizona Magazine is doing a feature on shopping the district.

GQ Magazine says America's Next Great City Is Inside L.A. **Click Here** for the story

<http://www.gq.com/life/travel/201401/downtown-los-angeles-restaurants-food-art>

And the **New York Times** lists LA as one of the Best Places to Visit in 2014 thanks in part to Alma, Ace, Aesop and Acne.

| 2014 First Quarter Media Impression, Website Hit, Website Visitor, Social Media Activity * | | |
|--|-------------|-------------|
| <u>Website Hits</u> | 2014 | 2013 |
| January | | |
| February | | |
| March | | |
| Totals | | |
| <u>Website Visitors</u> | 2014 | 2013 |
| January | | |
| February | | |
| March | | |
| Totals | | |
| <u>Media Impressions</u> | 2014 | 2013 |
| January | | |
| February | | |
| March | | |
| Totals | | |
| <u>Free Advertising Dollars</u> | | |
| <u>Leveraged</u> | 2014 | 2013 |
| January | | |
| February | | |
| March | | |
| Totals | | |
| <u>Social Media – 1st Quarter Totals</u> | 2014 | 2013 |
| Facebook | | |
| o New Likes | | |
| Twitter | | |
| o New Followers | | |
| Blog | | |
| o Page Views | | |
| Instagram | | |
| o New Followers | | |
| Pinterest | | |
| o New Followers | | |

*** To be forwarded upon completion.**

Proposed 2014 Second Quarter Communications Activities

- Continue to refine social media features
- Launch new website
- Conduct business survey
- Prepare for Annual Property Owner Meeting

SPECIAL PROJECTS

SWA Group and People St Application

Representatives from SWA Group, the landscape architecture firm, met on January 28, 2014 with property owners in the area of 8th and San Pedro Street to present design options for an application to the People St project. SWA offered to create the design plan pro bono as part of their firms' community service program. The property owners decided not to proceed with the project that would create a pedestrian parklet for a number of reasons including the site's past problems with attracting crime and drug sales.

SWA presented a design proposal for streetscape improvements on 8th Street. Owners agreed to wait on any design work until sufficient funding is available for construction. The BID is working with SWA to research grant application opportunities.

Bureau of Street Services Update for Fashion District Phase II

The landscape/construction technical documents are now 60% complete. However, the civil engineering portion of the drawings has not been completed. Unfortunately their Civil Engineer has a few other very tight deadlines for the next month or two and has to focus her time on those projects.

Once the Civil Engineer is free, she will finalize the Fashion District Project technical documents. BSS will submit the completed package in order to have the construction funding released.

Proposed 2014 Second Quarter Special Projects Activities

- Continue to work with Bureau of Street Services to launch the Fashion District Phase II streetscape project.

ATTACHMENTS

| LA FASHION DISTRICT BID | |
|--|-------------------------------|
| Summary of Un-Audited Financial Information | |
| For the 3 Months Ending on March 31, 2014 | |
| | YTD Actual¹ |
| ASSETS | |
| Total Current Assets | \$ 3,345,339 |
| Net Property and Equipment | 182,821 |
| Total Assets | <u>3,527,959</u> |
| LIABILITIES AND NET ASSETS | |
| Current Liabilities | 1,371,720 |
| Retained Earnings | 2,122,387 |
| Net Revenue / (Loss) YTD | 33,852 |
| Total Liabilities and Net Assets | <u>\$ 3,527,959</u> |
| BID REVENUES | |
| Assessments - Current Year | \$ 781,856 |
| Assessments - Collection of Prior Years' Unpaid | 11,113 |
| Assessments - Penalties, Interest | 785 |
| Other Revenue ³ | 29,523 |
| BID Revenues (current year) Sub-Total | <u>802,457</u> |
| Allocation of Unspent Funds from Prior Years ² | - |
| Allocation of Non-Asmt Unspent Funds from Prior Years ⁴ | - |
| OVERLAYS | |
| North Santee Alley Overlay (prior year funds alloc) | - |
| North Santee Alley Overlay | 76,453 |
| South Santee Alley Overlay (prior year funds alloc) | - |
| South Santee Alley Overlay (pass-thru) | 165,984 |
| Overlays Sub-Total | <u>242,438</u> |
| TOTAL REVENUES | <u>\$ 1,044,895</u> |
| BID EXPENSES | |
| Clean & Safe | \$ 598,587 |
| Communication & Special Projects | \$ 78,039 |
| Management, City Fees, Uncoll Asmnts, Deprecn | \$ 92,059 |
| BID Expenses Sub-Total | <u>\$ 768,685</u> |
| OVERLAYS EXPENSES | |
| North Santee Alley Overlay ⁴ | 76,453 |
| South Santee Alley Overlay (pass-thru) | 165,984 |
| Overlays Expenses Sub-Total | <u>242,438</u> |
| TOTAL EXPENSES | <u>1,011,043</u> |
| NET REVENUE | <u>\$ 33,852</u> |

Note 1: On annual basis, current year YTD assessment revenue is equally accrued over the 12 months of the year.

Note 2: The budgeted allocation from prior years' unspent assessment and non-assessment funds has not been recorded.

Note 3: YTD actual includes \$18,750 from South Santee Alley for providing Cleaning, Safety Supervision, & Social Media Sign.

Note 4: For presentation purposes, this figure includes the same as allocated costs: \$15,300 from Cleaning, \$1,530 from Safety and \$1,920 from Comm.

Support for AB 2618



March 20, 2014

Speaker John Perez
State Capitol, Rm. 219
Sacramento, CA 95814

SUBJECT: Support for AB 2618

Dear Speaker Perez,

At the March 20, 2014 Board of Directors meeting of the LA Fashion District Business Improvement District, Members voted to support AB 2618 – a measure that would amend the existing Property and Business Improvement District Law to reaffirm the legislature’s support of property-based Business Improvement Districts (PBIDs) and to ensure the PBID Law conforms to the requirements of Proposition 218 by defining “special benefits” and “general benefits”.

We are proud of the fact that we are the first PBID in Southern California and, as you are aware, PBIDs have played an essential role in revitalizing downtowns and other commercial areas statewide by making neighborhoods clean and safe, creating thousands of jobs and spurring millions of dollars in tax revenues.

After the initial enactment of the PBID Law in 1994, Proposition 218’s Article XIII D amended the California Constitution’s provisions related to special assessment districts. In particular, Article XIII D created two categories of benefits: “special” and “general” benefits and restricts property-based assessment districts to only levy assessments for “special” benefits.

Because the PBID Law does not address the distinction between special and general benefits, Article XIII D resulted in statewide confusion about district formation, levying of assessments and the permissible functions of PBIDs. Consequently, ongoing litigation arising from this lack of clarity threatens the viability of all of California’s PBIDs and the programs to improve safety, cleanliness, and economic development they create.

Without the proposed clarifying legislation, PBIDs will remain subject to litigation challenges that jeopardize their activities cities will remain subject to expenses from contributing general fund revenues to PBIDs and the entire state may be subject to future court decisions that severely impede – or even eliminate – PBIDs.

Again, we greatly appreciate your authorship of this measure and strongly support AB 2618.

Sincerely,

Jorge Flores, Chair
LA Fashion District BID
Board of Directors

Kent Smith, Executive Director
LA Fashion District BID

Cc: Board of Directors, LA Fashion District BID

**Neighborhood and Business Improvement Districts
Quarterly Statistics for Mayor's Comstat Report**

1st Quarter 2014

| CATEGORY | TOTAL FOR QUARTER | CUMULATIVE TOTAL |
|--------------------------|---|------------------|
| | | |
| Public Safety Contacts * | 40,853 | |
| Trash Bags/Tons removed | 41,024 | |
| Bulky Items Removed | 344 | |
| Graffiti Removed | 3,617 | |
| Weeded Areas | 15 | |
| Citizen Contacts | 3,780 | |
| Merchant Contacts | 5,010 | |
| Spaces for Lease ** | Not available | |
| Spaces leased ** | Not available | |
| New Business ** | Not available | |
| Landscaped Medians | The BID maintains two landscaped medians in the district. | |

*** Public Safety Incidents**
category was changed to
Public Safety Contacts to
provide the total number of
contacts the BID Safe Team
conducts during a quarter in
the 100-block district.

**** The LA Fashion District has**
over 3500 street level stores.
Due to the extensive volume
of spaces we do not track
spaces for lease, leased, or
new businesses.

THE Los Angeles BID Consortium

Los Angeles BID Consortium provides a forum for the leaders of each of the city's diverse business improvement districts to collaborate and exchange information, ideas and resources.

Key findings from Los Angeles BID Consortium Survey



The following are the findings from the 2012 Los Angeles Business Improvement District (BID) Consortium Survey. Please note these results are comprised from 29 of the city's 39 BIDs. Numbers are based on fiscal year 2011.

Acknowledgements:

The Los Angeles BID Consortium would like to thank each of the different BIDs that filled out our survey and contributed images for this report. We would like to give a special thanks to City of Los Angeles City Clerk's Office for providing key facts and figures.

Prepared by:

Ground UP Ventures and AK Design Consulting

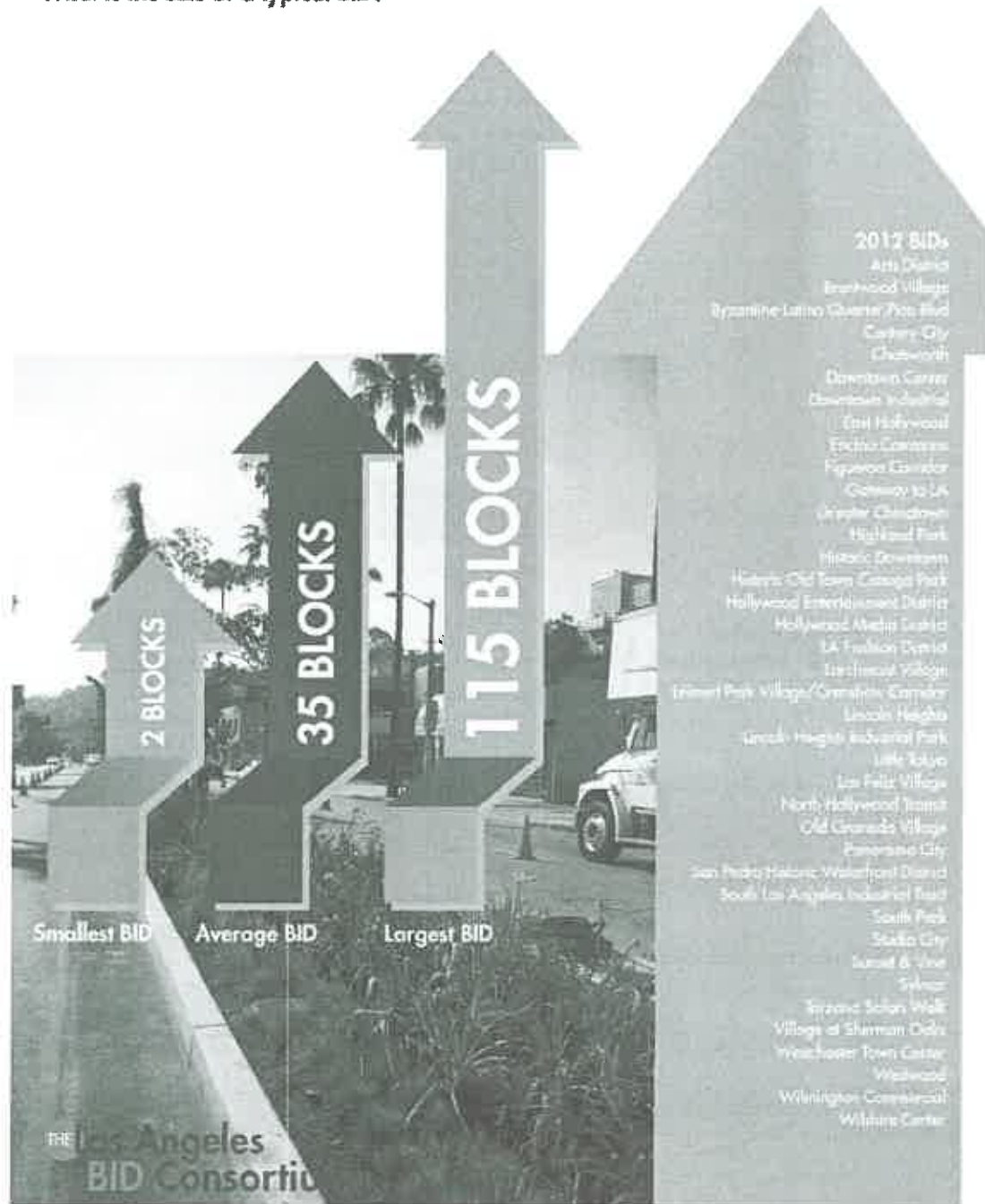
Where are BID areas located in the city?



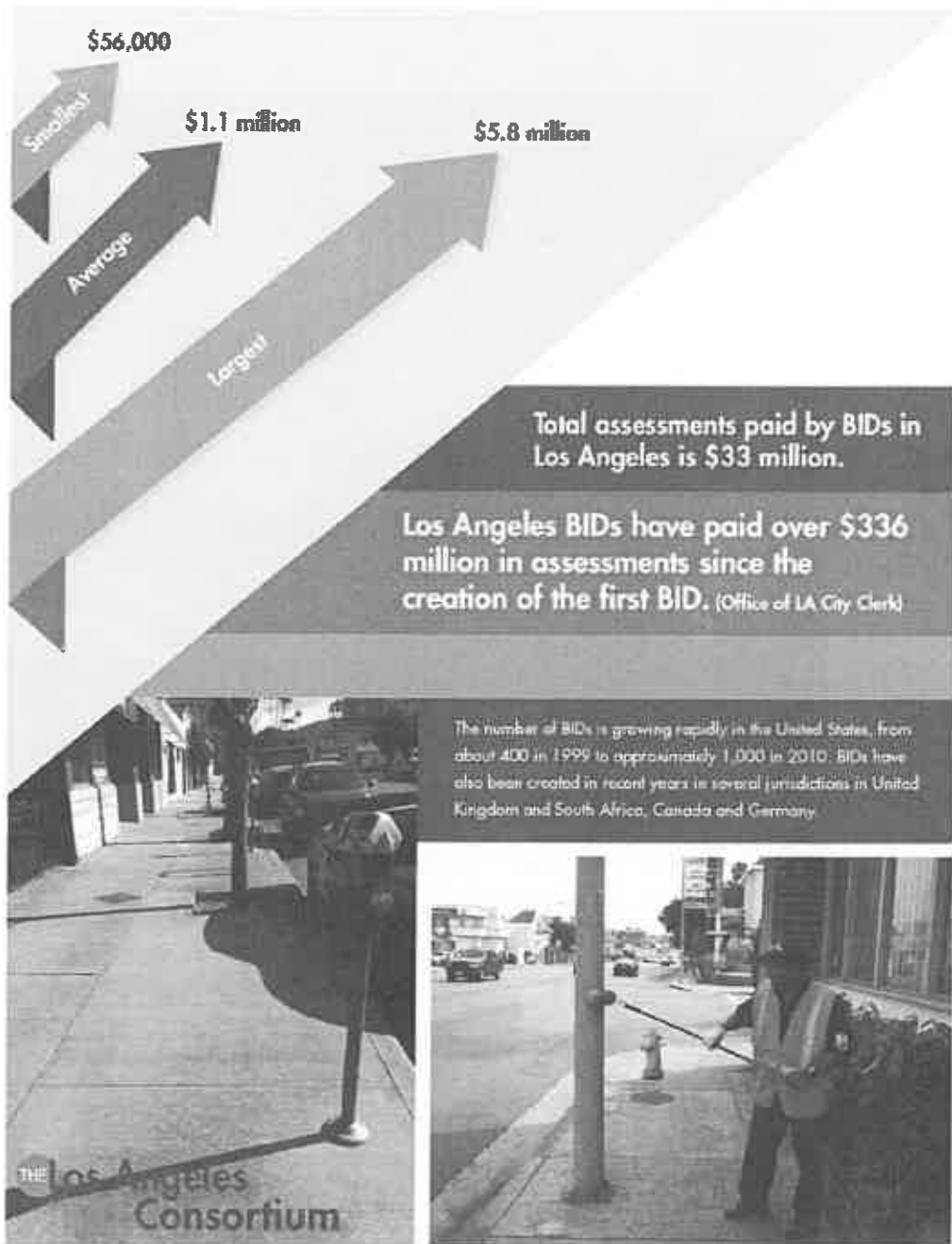
**Los Angeles
BID Consortium**

| BIDS AND THEIR ASSOCIATED CITY COUNCIL DISTRICTS | | | | | |
|--|---|----------|------|--|-----------|
| TYPE | NAME | ASSOC CD | TYPE | NAME | ASSOC CD |
| P | ARTS DISTRICT | 14 | P | UNION HEIGHTS | 1 |
| P | BREITWYCK VILLAGE | 11 | P | UNION HEIGHTS INDUSTRIAL ZONE | 1 |
| P | BYZANTINE-LATINO QUARTER PICO BLVD | 1,10 | AF | LITTLE TOKYO | 14 |
| P | CENTURY CITY | 5 | AA | LOS FELIZ VILLAGE | 4,13 |
| A | CHATHAM | 12 | P | NORTH HOLLYWOOD TRANSIT | 2,3 |
| D | DOWNTOWN CENTER | 14 | P | OLD GRANADA VILLAGE | 12 |
| P | DOWNTOWN INDUSTRIAL | 14 | P | PANORAMA CITY | 6 |
| P | EAST HOLLYWOOD | 4,13 | P | SAN PEDRO HISTORIC WATERFRONT DISTRICT | 10 |
| P | EVINGDOME COMMONS | 5 | P | SOUTH KIM ANNELES INDUSTRIAL TRACT | 9 |
| P | FIGUEROA CORRIDOR | 1,9,14 | P | SOUTH PARK | 9,14 |
| P | GATEWAY TO LA | 11 | P | STUDIO CITY | 2 |
| P | GREATER CHINATOWN | 1,14 | P | SUNSET AND WIRE | 13 |
| P | HIGHLAND PARK | 1,14 | P | TRUAX | 7 |
| P | HISTORIC DOWNTOWN | 14 | P | TAFELBERG SAFARI WALK | 9 |
| P | HISTORIC OLD TOWN CANONSA PARK | 5 | P | VILLAGE AT SHERMAN OAKS | 4 |
| P | HOLLYWOOD ENTERTAINMENT DISTRICT | 4,13 | P | WILSHIRE TOWN CENTER | 11 |
| P | HOLLYWOOD MEDIA DISTRICT | 4,5,13 | P | WILSHIRE | 5 |
| P | LA FASHION DISTRICT | 14 | AA | WILMINGTON COMMERCIAL | 15 |
| P | MARCHMONT VILLAGE | 4 | AF | WILSHIRE CENTER | 1,4,10,13 |
| P | ULTIMATE PARK VILLAGE/CRIMSHAW CORRIDOR | 9,10 | | | |

What is the size of a typical BID?



What is the typical budget of a BID?



How much do BIDs contribute toward public safety efforts?

BIDs have contributed a total of \$11.5 million a year toward public safety activities in their districts.



BID security activities that directly benefit the parcel owners

in their district include:

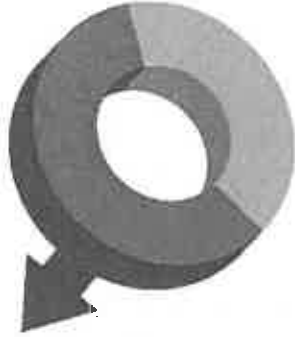
- Homeless outreach
- Ambassador services to guide pedestrians and tourists
- Contributions to video surveillance capabilities
- Addressing and deterring crimes
- Policy with LAPD on community policing objectives

Los Angeles
BID Consortium



How much do BIDs contribute toward street and sidewalk cleaning?

The average BID allocates 61% of its yearly budget towards Clean & Safe Services.



BIDs spend \$8.5 million a year toward street enhancement efforts that include:

- Sidewalk cleaning
- Trash removal
- Street and curb cleaning
- Tree trimming and graffiti removal



 Los Angeles
BID Consortium

How many trash bags are collected by BIDs on a yearly basis?

744,000 trash bags or approximately
9,000 tons were collected by BIDs in 2011



Smallest BID collects 1,200 bags



Average BID collects 25,700 bags



Largest BID collects
179,000 bags

 **Los Angeles
BID Consortium**

How many trees on a public right of way are trimmed by BIDs?

Largest BID trims 700 trees.



Approximately 4,300 street trees are trimmed by BIDs
Increasing visibility of businesses and streets

Average BID trims 110 trees.



THE Los Angeles
BID Consortium

BIDs actively increase civic engagement in their districts by establishing:



Leadership opportunities for businesses and parcel owners



Homeless Outreach and Courts

There are over 300 boardmembers across Los Angeles involved in the leadership of their districts.



Farmers Market, Historic Downtown LA BID



Community Festival, Historic Waterfront District BID

**the Los Angeles
BID Consortium**

Summary of Findings

- ✓ **Number of BIDs in LA: 39**
- ✓ **Los Angeles BID assess over \$33M a year for special benefits within their districts.**
- ✓ **Los Angeles BID paid over \$336M since the creation of the first BID.**
- ✓ **BIDs contribute \$11.5M a year toward public safety efforts.**
- ✓ **BIDs contribute \$8.5M a year toward street and sidewalk enhancement efforts.**
- ✓ **61% of a BID's budget is allocated toward Clean & Safe programs.**
- ✓ **BIDs collect 9,000 tons of trash a year.**
- ✓ **BIDs trim approximately 4,300 street trees on the public rights of ways.**



Skid Row Walk, LA Downtown Industrial District BID

Day of the Dead Festival, Historic Waterfront District BID





BID lines

LA Fashion District Business Improvement District (BID) Newsletter

Winter-Spring 2014

Pay It Forward Holiday Campaign Receives National Attention



During the holidays the LA Fashion District received national publicity for our "Random Acts of Kindness" campaign. We were featured on the **Today Show** as part of a larger segment highlighting Random Acts of Kindness throughout the U.S. during the holiday season. The clip highlighted the free parking and paid purchases happening in the district. Safe Team Officer Alonso did a fantastic job of representing the LA Fashion District on camera.

This all happened when NBC responded to a press release put out by the BID and shot the clip on Saturday afternoon. Our Public Information Coordinator, Ariana Gomez, responded to the request from NBC and arranged the filming for the show.

Univision was also in the district on Saturday filming a 3-minute special segment on the campaign, which aired December 23rd. Jomari Goyso of "A La Moda Con Jomari" paid it forward to Santee Alley shoppers and asked them to join in the district's campaign to "Pay It forward LA". The production team at Univision made a very rare exception in filming this special segment as a thank you to the BID for facilitating filming of the show in Santee Alley all year.



Removing 12,500 graffiti tags a year | Conducting 53,000 crime prevention safety checks yearly | Removing 2,127 tons of trash a year

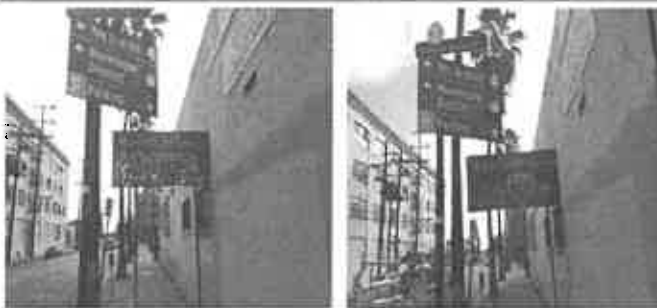
BID Clean & Safe Team Update

2013 Fourth Quarter Activity Report

| | | |
|-----------|-------------|---|
| Removed | 3,282 | Graffiti Tags from buildings-doors and other surfaces |
| Collected | 42,325 | Bags of Trash from cans, alleys, and illegal dumping |
| Cleaned | 5.3 million | Sq Ft of sidewalk by pressure washing/scrubbing |
| Initiated | 41,600 | Contacts with the public to address various issues |
| Conducted | 16,000 | Location Checks for crime |
| Assisted | 4,000 | Shoppers to find store locations and lost cars |

Need Assistance? Call the LA Fashion District BID
24-hour Hotline at 213-741-2661

Removing Graffiti is Part of BID Clean Team Services
 Field Supervisor Elmer Pacheco saw a problem when he couldn't see the 10 Freeway sign on Pico Blvd. Elmer removed the stickers from the sign to clear the way for drivers. Over 3,200 graffiti tags were removed throughout the district in just the Fourth Quarter.



Call the BID - 24/7 at 213-741-2661
 If you see illegal dumping taking place,
 Almost as big as a truck...this hot tub was found by the Clean Team illegally dumped on a street in the district and removed it.



Removing 12,500 graffiti tags a year | Conducting 53,000 crime prevention safety checks yearly | Removing 2,127 tons of trash a year

Illegal Dumping Costly for Everyone

City Ordinances require Proof of Rubbish Service SEC. 66.17.1. and prohibits Illegal Dumping SEC. 41.70.3. The County Health Department will be called in to investigate locations where illegal dumping continues to be a nuisance.

Bulky Item Pick-Up is Available

Bulky Items comprise a significant amount of illegally dumped trash. CALL THE BID at 213-741-2661 and we will arrange to pick up the copy machine, computer, or sofa that you want to dump in the gutter or alley.

If you see illegal dumping taking place please call the BID at 213-741-2661.



City of Los Angeles Ordinances require
 Proof of Rubbish Service SEC. 66.17.1. and prohibits
 Illegal Dumping SEC. 41.70.3.

Board Election Seats 5 New and Returning Members

Five candidates were elected by property owners to serve three year terms on the BID Board of Directors beginning January 2014.

Congratulations to Jason Deibler, Jorge Flores, George Lintz, Brian Teban and John Van Den Akker on their election to the 15-member BID Board of Directors.

The LA Fashion District BID is the only business improvement district in the U.S. that conducts an election of Board Members by mail-in ballots from property owners in the district.



Broadway in Transition

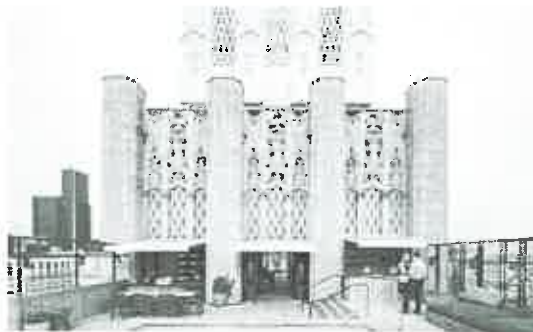


Photo from Ace Hotel website

Recently opened Ace Hotel at 922 S Broadway is an important amenity for shoppers and tourists. Not only a destination landmark, the Ace Hotel allows wholesale buyers the opportunity to stay close to business in the LA Fashion District.



Photo by David L. Givens

District 14 Councilman Huizar's Broadway Initiative has opened the door to new economic development. Fashion companies and businesses continue to flock to Broadway, bringing with them great jobs and economic benefit to Downtown Los Angeles.

98 Parking Lots

The LA Fashion District BID conducted a district wide inventory and found 98 Parking Lots!

The list includes Surface, Rooftop, Underground, and Multi-Level Structures.

Check out the website at www.fashiondistrict.org/parking and the Parking Apps to see addresses and locations.

If we missed one please call us at (213) 488-1153 x 710. We'd be happy to see 100 Parking Lots!



Removing 12,540 graffiti tags a year | Conducting 53,000 crime prevention safety checks yearly | Removing 2,127 tons of trash a year

February Brings Great Media Exposure for the Fashion District



The LA Fashion District BID has been working overtime to keep the district in the news this month. Local TV crews reported from the LA Flower District early Valentine's Day morning, while local blogs like Racked LA helped us spread news of flower vendors' extended holiday hours. We've also continued working with Univision for the filming of their evening news fashion segment "A la moda con Jomari" on Primer Impacto. The Santee Alley has had a regular presence in the segment all year.

Arizona's Channel 3 was also in the Fashion District filming two segments on bargain shopping, which aired on February 19 and 20. Upcoming features include a Mother's Day story on the LA Flower District for AAA's magazine, *Westways* and a story on entrepreneurship and small business on the U.S. Chamber of Commerce's website FreeEnterprise.com.

SAVE THE DATE - Annual Property Owner Meeting - April 24, 2014

Plan to join us for the Annual Property Owner Meeting starting at 10:30 am with a Meet & Greet followed by a State of the BID report at 11:00 am. Location: California Market Center, 110 E 9th St ~ Meeting Room C 855, LA CA 90079. *Sorry we do not validate parking.*



BID lines

LA Fashion District Business Improvement District Newsletter

Winter - Spring 2014

110 East 9th Street, Suite A 1175, Los Angeles, CA 90079

P 213.488.1153 F 213.488.5159

www.fashiondistrict.org

Return Service Requested



Removing 12,500 graffiti tags a year | Conducting 59,000 crime prevention safety checks yearly | Removing 2,127 tons of trash a year



LA Fashion District Business Improvement District

2014 Activity Reports

Second Quarter

TABLE OF CONTENTS

I Second Quarter Activities

Finance

Public Space Management Activity

- Public Space Safety Programs
- Proposed 2014 Third Quarter Activities
- Public Space Clean Programs
- Proposed 2014 Third Quarter Activities

Management

- Administration
- Advocacy Programs
- Proposed 2014 Third Quarter Activities

Communications

- Image & Communications Programs
- Proposed 2014 Third Quarter Activities
- Special Projects Programs
- Proposed 2014 Third Quarter Activities

Neighborhood and Business Improvement Districts Quarterly Statistics for Mayor's Comstat Report

II Attachments

2014 OPERATING BUDGET SUMMARY

The total improvement plan budget for the 2014 Fashion District BID is \$3,570,800.

FINANCE

Approval of 2015 BID Assessments

At the Board meeting on April 24, 2014, Board Members agreed that there would be no increase in the 2015 BID assessments.

Note: The North and South Alley Overlay Assessments for 2015 will be voted on by those property owners at their May meeting.

Approval of 2013 Tax Returns

At their meeting on May 27, 2014, the Finance Committee recommended approval of the 2013 Tax Returns (Federal Form 990 and State Form 199) and electronic transmission to the appropriate agencies. The Forms were prepared by the CPA firm Gleicher, Tilley, Leonard, LLP.

The Board of Directors unanimously approved the 2013 Tax Returns as presented on May 29, 2014.

Approval of 2015 Alleys Overlay Assessments

The Board of Directors approved the proposed one-time-only \$50,000 reduction for each overlay to the 2015 Alleys Overlay Assessments at the meeting on May 29, 2014.

Minimum Wage Increase

Increases will go into effect on July 1, 2014. There is no need to increase assessments to cover the costs.

D & O Insurance Renewed

We have successfully renewed our Directors and Officers with United States Liability Insurance Company effective April 19, 2014. The \$5 million policy costs \$7,080 and increased by 6.9% or \$460 from 2013. The next highest bidder was more than double the cost. We have been with this company for over a decade with no substantive changes to the policy.

2015 Assessment Data

Data was submitted to the Special Assessment Unit by the deadline date June 2, 2014.

Proposed 2014 Third Quarter Finance Activities

- Prepare for 2014 Election of Board Members

PUBLIC SPACE MANAGEMENT ACTIVITIES

2014 Annual Budget

\$2,759,180

77% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Second Quarter Contact Summary

BID Safe Team officers conducted 3,060 **Citizen Assist** events during the 2014 2nd Quarter.

Disorderly Conduct saw a decrease increase in activity with 1,328 total incidents recorded compared to 1,811 incidents recorded in the 2013 2nd Quarter. **Trespassing** incidents also decreased.

Illegal Vending totals decreased compared to 2nd Quarter 2013 records. 2014 2nd Quarter records show 779 incidents and 2013 2nd Quarter records showed 912 incidents. Illegal sales of animals decreased significantly.

Robbery / Vandalism increased from 168 incidents recorded in 2nd Quarter 2013 compared with 176 incidents recorded during the current quarter.

Proposed Sidewalk Vending Ordinance and Enforcement Concerns

At the Board Meeting on April 24, 2014 Kent Smith reported on a meeting with Council District 14 and downtown BIDs. BIDs conveyed the message to Council Member Huizar that legalizing sidewalk vending may be good for other areas of Los Angeles but not downtown.

On May 8, 2014 the BID sent a letter to Councilmember Currin Price to express concerns about legalizing sidewalk vending. (See Attachments)

On June 16, 2014 the LA Downtown News featured a story about downtown's concerns with legalizing sidewalk vending and the challenge of enforcing a new ordinance.

San Pedro Swap Meet Enforcement

At the Board Meeting on April 24, 2014 Kent Smith presented an update on the discussions that took place at the March Fashion District Board of Directors meeting. As a result, CD14 representatives shared our concerns about the San Pedro Swap Meet with other City departments.

The BID is now working with the Bureau of Street Services (BSS) & LAPD Newton Division on an enforcement campaign to address the public safety hazards there on Saturday mornings. The BID agreed to cover overtime costs of BSS staff during enforcement. BSS asked that we (for the next several weeks) target the merchants and illegal sidewalk vendors on San Pedro with warning notices. BSS wanted these notices handed out before they commence with their enforcement effort. We distributed 600+ flyers delivered to illegal sidewalk vendors on Saturday, April 5. After that we distributed to the merchants on the various streets (Pico, San Pedro & 12th).

BSS conducted the first round of enforcement on April 19-20, 2014 and continued on April 26-27, 2014. Another enforcement took place on June 28, 2014.



BEFORE sidewalk vending ordinance enforcement



AFTER sidewalk vending ordinance enforcement

In the process of enforcement the Bureau of Street Services Enforcement Division issued 56 Notice of Violations to various merchants for illegal sidewalk sales in the area of 12th Street and San Pedro Street. On April 22, 2014 the Bureau of Street Services personally went to the area to contact businesses again and issued them informational flyers explaining what is legal and not legal to display on sidewalks. LAMC 56.11 defines sidewalk vending as a public hazard.

SEC. 56.11. SIDEWALKS – MERCHANDISE – BAGGAGE (Amended by Ord. No. 123,979, Eff. 4/20/63.)

No person shall leave or permit to remain any merchandise, baggage or any article of personal property upon any parkway or sidewalk. Provided, that boxes, barrels and other receptacles for merchandise may be unpacked and their contents removed upon parkways or sidewalks outside of the Central Traffic District if such boxes, barrels and other receptacles for merchandise are removed immediately thereafter.

Sidewalk Vending Community Meetings

At the Operations Committee meeting on May 27, 2014 over 20 members of the public attended to discuss their concerns about the recent sidewalk ordinance enforcement by the Bureau of Street Services (BSS) over 3 weekends. The illegal vendors at the San Pedro Swap Meet have been removed however BSS recommends a monthly enforcement detail on random dates to ensure they don't return.

As a result of the enforcement tenants are being cited for outdoor displays. BSS did not attend the May 27th meeting and will be invited to a follow up meeting where tenants and owners can voice their concerns about ordinance enforcements.

The LA Fashion District BID and the Korean Apparel Manufacturing Association (KAMA) co-hosted a community meeting on June 3, 2014. Property owners, members and merchants from all areas of the 100-block district had an opportunity to talk about the recent Sidewalk Vending Enforcement by the Bureau of Street Services (BSS) Enforcement Division. Representatives from Council District 14 also attended.

BSS will continue its enforcement on Saturday mornings around the San Pedro Wholesale Mart to address the large number of sidewalk vendors that have congregated there. BSS staff reminded merchants that any obstruction or outdoor display is illegal and merchants could be cited.

Bureau of Street Services Overtime Approved

At their meeting on May 29, 2014 the BID Board of Directors unanimously approved an action to continue to pay overtime to the Bureau of Street Services at a cost of \$1200 per day once a month through 2014 on a month-month basis to enforce sidewalk vending and display codes conditional on their participation at a community meeting on June 3, 2014 to hear public comment. BSS did attend the June 3rd meeting. *See the Administration/Advocacy section of this report for additional information on Sidewalk Vending Issues.*

BID Awarded Grant to Prevent Cigarette Litter

Thanks to Ops Director Randall Tampa the BID will receive grant funding from Keep America Beautiful to support implementation of a 2014 *Cigarette Litter Prevention Program* (CLPP). Ash receptacles will be installed in various locations to encourage proper disposal of cigarette butts.

BID Safety Team helps capture burglary suspect

A burglary suspect was observed entering the building at 777 E 10th Street by a private Security Officer on Friday, June 13, 2014. The suspect could be heard breaking locks in the building. The building Security Officer contacted the BID Safety Team that arrived at the location, immediately set up a perimeter around building and notified LAPD. LAPD arrived at the location and prepared to enter the building. As they walked over to the entrance the suspect walked out of the building and was arrested. LAPD then checked the building. During their check of the building they noticed 3 pad locks had been cut off but due to other interior doors the suspect was unable to gain entry into the businesses. LAPD Officers De La Torre and Flores then advised us the suspect would be transferred to LAPD Newton Division for booking.

Ivan Garcia Awarded BID Safe Team Officer of the Year

The LAPD recognizes BID Safe Team Officers at the annual Boosters Award Event and this year BID Safe Team Sergeant Ivan Garcia took the honors. Garcia has worked in the LA Fashion District from 2006-2008 and from 2012-present on the evening shift. During his absence he completed a Bachelor's degree in Criminal Justice at the University of Michigan. Garcia's goal is to become an LAPD Officer. His exemplary service at the BID includes numerous arrests for malicious mischief and alerting an MTA driver about smoke coming from the rear engine compartment of the bus. When the driver stopped the rear of the bus burst into flames. Ivan and his partner took the initiative to escort the passengers off the bus while the driver activated the engine fire-extinguishing system. Ivan's initiative and quick thinking prevented injuries to the bus passengers while keeping the damages to the bus at a minimum. Congratulations Ivan!



BID Safe Team Sergeant Ivan Garcia



2013 LAPD Boosters Awards

L-R: LAPD Deputy Chief Jose Perez, Central Captain Mike Oreb, Captain Mike McMahon, BID Sergeant Ivan Garcia, Boosters President Randall Ely

Lost and Found

On Friday, June 6, Clean team employee Raymond Acklin was sweeping the sidewalk at 755 S. Wall St. While sweeping the sidewalk, Mr. Acklin found a female's wallet on the curb. He immediately notified the Field Office dispatcher, and the wallet was taken to the office. While looking for identification to the rightful owner, it was discovered that the wallet contained credit cards, checks, an ATM card, \$60 dollars cash, and some ID cards. BID Safety contacted the owner of the wallet who came to the office to retrieve her property. She was very pleased that our Clean Team employee found her wallet and wanted to reward Mr. Acklin with money, but she was told that we don't accept gratuities for performing our jobs.

May Day 2014

On Thursday May 1st, several demonstrations took place in the Downtown Los Angeles area that severely influenced traffic throughout the day. Though these are the events that have permits, Broadway and Olympic is negatively impacted all day as this is the traditional gathering place for marchers. This location used to be outside of the main downtown but is now an important and busy hub of economic development.

DWP Repairs Broken Manhole Cover

With the assistance of CD 14 a faulty sidewalk manhole cover was replaced by DWP at the southwest corner of 9th & Los Angeles Streets. Although the construction was done during the June Market it resolved a dangerous pedestrian hazard for the hundreds of wholesale buyers visiting the area.

Proposed 2014 Third Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal and sidewalk vending in the district.
- Implement Cigarette Litter Prevention program.

PUBLIC SPACE CLEAN PROGRAMS

The Fashion District BID clean programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Trash Dump Fee Increase

Due to an increase in operational costs the Bureau of Sanitation is increasing dump fee rates starting April 1, 2014 from \$52.00 to \$54.00 a ton – equal to a 3.85% increase. The City had not increased this rate since February 2009.

Cushman Cart Vendors Paying for Trash Collection

On April 1, BID staff, LAPD and Cushman Cart Vendors met LAPD Central Station. SLO Owens advised Cushman carts vendors that they should be paying for BID trash collection service. SLO Owens said she knows that 80% of the vendors don't take their trash to the commissary like they are saying. She also advised them that she will start citing people if they are caught throwing their trash in the street.

A short agreement was drafted by BID Operations Director Randall Tampa and was accepted by some vendors. (see below) As of April 2 Cushman Cart Vendors have paid for the month of April and a total of \$580 has been received.

Los Angeles Fashion District – Cushman Cart Maintenance Agreement

The Los Angeles Fashion District, in its efforts to maximize the cleanliness of the District, agrees to pick up bagged trash and periodically pressure-wash those 'Fashion District' areas utilized by the Cushman Cart Vendors. The per-cart cost for such service is set at \$40.00 per-month - \$480.00* per-year. Payment to the Fashion District is due at the first of each month. Pick up of bagged trash will occur throughout the day when Fashion District maintenance workers are servicing District trash receptacles in the vicinity of the Cushman cart. If no District trash receptacle is present, it will be the responsibility of the vendor to communicate his/her trash pickup needs to any Fashion Clean and Safe employee.

- *If eleven (11) **successive** payments are received, there will be no fee charged for the twelfth (12th) month – a savings of \$40.00
- *If the vendor wishes to pay for services one year in advance, they will pay for 10 months (\$400.00) a savings of \$80.00

This Agreement shall remain in effect until terminated by the Fashion District.

Graffiti Removal

2014 second quarter graffiti removal records show an increase compared to 2013.

| <u>Graffiti Removal – 2nd Quarter</u> | 2014 | 2013 |
|--|-------------|-------------|
| April | 1249 | 1062 |
| May | 1269 | 1194 |
| June | 1189 | 1061 |
| Totals | 3707 | 3317 |

Trash Tonnage

In the Fashion District, Trash Tonnage has always served as a leading economic indicator. For example, when Lehman Brothers filed for bankruptcy in 2008, trash tonnage in the district fell by 18%.

| <u>Trash Tonnage– 2nd Quarter</u> | 2014 | 2013 |
|--|-------------|-------------|
| April | 179 | 173 |
| May | 187 | 184 |
| June | 173 | 177 |
| Totals | 539 | 534 |

Sidewalk Cleaning

6,253,989 square feet of district sidewalks were cleaned during the second quarter using scrubbing and pressure washing equipment.

Proposed 2014 Third Quarter Public Clean Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

MANAGEMENT

2014 Annual Budget

\$606,720

17% of the Overall Budget

This portion of the annual Fashion District BID budget includes all Management and Communications service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, and the North and South Alley Overlays.

MANAGEMENT PROGRAMS

GOVERNANCE

Annual Property Meeting

City of Los Angeles Council Member Jose Huizar, District 14, attended the meeting held on April 24, 2014. Huizar discussed his support of BIDs and the importance of the City/BID partnership and his vision for downtown. He reviewed the motion put forward to legalize street vending and the issue of affordable housing.

Captain John McMahon, LAPD Central Division told the 50 attendees, that he appreciates the partnership with the BID and is exploring ways to increase the positive effects of working together with County Mental Health to help improve Skid Row issues. McMahon also reported that Central Division has the most aggressive sidewalk vending detail in the city.

Kent Smith, Executive Director, presented a power point summary of 2013 highlights. The 2013 Annual Report is attached.

Staff Change

Joanna Cheatham, the BID's administrative assistant, has moved out of town after 7 years of employment at the LA Fashion District. Jasmine Yadidsion, who was chosen for the job out of 335 applicants, will take over the front desk starting mid-June. Jasmine's education and background will be a great asset to the BID's marketing/social media department.

ADVOCACY/CITY ISSUES

Update on AB 2618

BIDs reached several important milestones regarding AB 2618 that will clarify "general" vs "specific" benefits at the state level. Speaker Perez sponsored the Bill, and it was passed unanimously at the committee level, passed by the Assembly on May 8, 2014 and next goes to the Senate for final approval.

City of Los Angeles Council Members Huizar and Martinez introduced support of AB 2618 and put forward a Resolution to include in the City's 2013-2014 State Legislative Program. The Chief Legislative Analyst released a report and recommendation on May 6, 2014 to support AB 2618.

AB2618 passed at the Senate Governance & Finance Committee on June 18, 2014 on a 5-0 vote. It now heads to the Senate floor in early August after their recess. The Bill has already passed the House but must come back there for a vote again because it was amended at the Senate prior to going to committee. We expect the bill to be signed by the Governor in the fall and come into effect in January, 2015. The bill will not have an impact on the LA Fashion District until we renew the BID in 2018.

Sidewalk Vending Public Hearing

The LA Fashion District BID Board of Directors has agreed to a two prong approach, Operations and Administration, for addressing the issue of sidewalk vending.

The Chief Legislative Analyst (CLA) released a report on Sidewalk Vending on Tuesday, May 13, 2014 prior to the city's Economic Development Committee meeting. Over 100 people attended the meeting to voice their opinions for and against current sidewalk vending practices. BID Executive Director Kent Smith testified at the meeting and recommended more time be allowed for report review and public feedback. Several other BIDs also testified with concerns about trash, sanitation, and ADA compliance.

Committee Chair Curren Price gave the following instructions:

1. *CONTINUE this item for 90 days.*
2. *INSTRUCT the Chief Legislative Analyst to form a working group of the appropriate City departments to report back to the EDC with recommendations to design, fund, and implement a citywide vending program, including necessary enforcement measures, operational budget, revenue projections, vendor fees, and options to encourage healthy food vending.*
3. *REQUEST the City Attorney to prepare an ordinance based on the wording of the working group's recommendations.*
4. *INSTRUCT the Economic and Workforce Development Department to provide assistance through the Business Source centers in conjunction with community stakeholders including business organizations, business improvement districts, neighborhood councils, and others, to develop an education campaign to assist street vendors with becoming compliant with government code and applying for required permits; and create a microloan program for vendors to purchase necessary equipment.*

BIDs have asked to be part of this working group.

Master Planned Development Ordinance

The City is bringing forward a Master Planned Development Ordinance to the Planning Commission on July 24, 2014. The city wide ordinance could apply to all Fashion District properties exceeding 3 acres under one ownership going through the entitlement process in the future. The ordinance would help to streamline the entitlement process for large projects and would allow residential to be included in large projects in M zoned areas. The City Market project is a good example of a development project that can take advantage of this ordinance. A paper explaining the ordinance & a preliminary draft is attached.

Downtown Community Plan Update

The Downtown Community Plan was re-launched in February, 2014 with a community outreach meeting at the Cooper Building which many of you attended. City Planners are now in the "internal phase" of the project coordinating their efforts with Re:code LA, the 5 year process to rewrite the City's Zoning Code last rewritten in 1946. Re:code LA is planning to have a new Downtown Development Code expected by mid- 2015.

These new zones will then be designated to different parts of downtown including the Fashion District by the downtown community plan. This work will include a comprehensive EIR for downtown to cover the new zones and land use guidelines. Timing is very difficult to estimate as the Planning Department has lost one third of its staff through cost cutting during the recession. Sixty planners are scheduled to be hired by the end of 2014 to accommodate the demands of this new development cycle. Despite these constraints the Planning Department estimates a completion date of the downtown plan (before adoption by City Council) of 2017.

Home For Good Task Force talks with USICH on National Homelessness Policy

On June 19, 2014 we met Laura Green Zeilinger, President Obama's head of homeless policy, and Matthew Doherty, Regional Coordinator Team Leader from the US Interagency Council on Homelessness (USICH). They shared information on national efforts and programs including "Opening Doors" and the "25 Cities initiative". The group also discussed the Mayor's Challenge and work Home For Good is currently doing to create a partnership with Mayor Garcetti.

USICH is working on forming a partnership with "Joining Forces" to develop a gap funding exchange that will be piloted in a few cities in the coming year, including LA. Funding will include move-in assistance for veterans. Efforts to house the homeless in Los Angeles are now being used as national model for other cities to learn and build from.

CDA Conference

BID Staff attended the West Coast Urban District Forum in San Diego hosted by the California Downtown Association (CDA) and the International Downtown Association (IDA). BID Executive Director Kent Smith moderated a panel discussion on Tracking Data & Tech Tools to Engage Consumers and facilitated a discussion on Economic Development.

DTLA Streetclosure Committee

Street closures have been a forefront concern in Downtown as the community has experienced significant construction, public infrastructure improvements, filming and special events in the area in the past few years. Councilmember Jose Huizar has formed the Downtown Street Closure Committee in response to the increasingly high volume of street closure requests that the City receives in the Downtown area.

This committee is an advisory committee to the Council Office which meets monthly to evaluate significant street closure requests and address the concerns of residents and businesses. The committee's first meeting will happen next week. Discussion items will include a number of large-scale special events that have been proposed in the next few months. The committee consists of representatives from the Neighborhood Councils, Business Improvement Districts, and the Downtown business community. BID Managing Director Lynn Myers will represent the Fashion District.

Neighborhood Council Election Results

BID Managing Director Lynn Myers was re-elected to the Downtown LA Neighborhood Council (DLANC) to the Fashion District Business Representative seat. Dan Bartholomew, one of two residents are competing for the Fashion District Resident Representative seat, did not win the Resident seat however he was sworn in as Myer's alternate at the DLANC meeting on June 10, 2014. Besides being a resident Bartholomew also owns and runs a business in the Fashion District which qualified him to be the Business Representative alternate.

LADWP Notice Regarding Mylar Balloons

On Friday, May 2, 2014 the electrical power to the area of the Flower District went out for a period of several hours. LADWP repaired the damage that was apparently caused by a Mylar balloon that became tangled in power lines. LADWP issued a warning notice that cautioned florists and other merchants to ensure that metallic balloons are properly weighted, and to remind their customers not to release them outdoors. California law (California Penal Code Chapter 1559 Section 653.1) restricts the use of metallic balloons and metallic ribbon. In essence, the law states the metallic balloon must be weighted down separately so it does not travel up into the power lines. The law also prohibits metallic ribbon from being attached to helium-filled balloons. The Safe Team distributed the notices on Thursday, May 8. The notice is attached. F:LADWP.Mylar Balloon Notice

ECONOMIC DEVELOPMENT

Work to Begin on City Market South

The Los Angeles Business Journal's front page story on June 2-8, 2014 features plans for Phase I development of the 10-acre City Market of Los Angeles property located at 9th and San Pedro. [CLICK HERE](http://www.labusinessjournal.com/news/2014/jun/02/buttoning/) to read the story <http://www.labusinessjournal.com/news/2014/jun/02/buttoning/>

Soleil Beauty Salon Opens on 9th & Main

This new salon offers a full range of services and adds to the amenities available in the Fashion District.

Tiara Café Closes

After more than seven years of serving healthy, California-style cuisine, Fred Eric owner of the Tiara Café decided to close The New Mart location. Bye Fred - we'll miss those fabulous chopped vegetable salads.

Oak Opens on Broadway

The minimalistic style retailer Oak opened their 2,100 square foot Los Angeles store at 910 S Broadway in the ground level of the Sparkle Factory in April 2014. Oak joins Urban Outfitters, Acne, and Tanner Leather Goods on Broadway Blvd's expanding apparel row.

New Coffee Houses

Three new stores are open in the district. The Classic Coffee Bar and an upstairs showroom with a new apparel line/art gallery/rooftop lounge just opened at 862 S Main Street.

New Residential Development

Two former office buildings on Los Angeles St is being converted to residential. The Garment Capitol Building and Maxfield Building, both located on Los Angeles Street between 7th and 8th Streets will be converted to apartments by Los Angeles-based Capital Foresight Development. The conversions will significantly contribute to the ongoing revival of north Los Angeles Street. Capital Foresight expects to open both buildings in 2015.

Councilmember Huizar Announces Bringing Back Broadway's Façade Lighting Grant Recipients

\$750,000 in grants to 13 Broadway buildings will help light historic features, contribute to public safety and encourage night-time activity along the increasingly revitalized corridor. Three of the buildings are in the LA Fashion District BID. Installation of the final designs is expected to occur throughout 2014 and 2015. The program was funded through a Community Development Block Grant secured for the Bringing Back Broadway effort.

Downtown Works Retail Recruitment Tour

On Wednesday, April 30 the Fashion District BID hosted a Downtown Works workshop that included a tour of the LA Flower District, Los Angeles Street, and Broadway. The group visited the Fashion District with the goal of developing retail plans for the Flower District and Santee Alley. The recruiters would serve as matchmakers between the property owners and qualified shop and restaurant prospects. Downtown Works is a retail recruitment consulting company based in Seattle, Washington. Thanks to our board members Hilda Jimenez and Steve Hirsch and Frank Reyes with the American Florist Exchange for being our tour guides!

Broadway Dress Rehearsal Construction Update

The Broadway Dress Rehearsal construction to reduce the southbound street to one lane creating public "plazas" is well underway. On July 1st planters with plants will arrive at two locations in the Fashion District (in front of Tacos Mexicanos & Mikado restaurant). The rest of the planters will arrive by the end of August.

The BID had arranged to clean these spaces on a fee for service basis. However there are a number of contractor issues and warranty agreements between the City and the various contractors. At BID Executive Director Kent Smith's urging all the BIDs are going to postpone their "takeover" of these spaces until contractor construction issues are satisfactorily resolved and warranty periods expire. This could take up to one year. In the interim the City will be assuming all responsibilities for maintaining these spaces and working with the merchants to put out the tables, chairs & umbrellas in these spaces. Our Clean Team will monitor these spaces and will provide assistance where necessary such as graffiti removal.

We do not want to take on responsibility for an incomplete project nor do we want to jeopardize contractor warranties especially as it relates to the decomposed granite surfaces which are not performing well. We have provided detailed comments on the state of the current installation and have urged the City to quickly resolve these problems including where necessary the removal of the treated surface (for example adjacent to the Ace Hotel where the spaces have created safety hazards for Ace valet parking & loading & unloading.)

Having the City assume responsibility now will help to work out all the "kinks" in this project in advance of our assuming any contractual obligations for the space and accordingly we have not yet executed our contract with the City.

EVENTS/TRADESHOWS

KAMA presents "Made-In-Los Angeles" Tradeshow, LA Apparel Show, April 7 - 9

Wholesale buyers shopped both Majors Market name brands and "San Pedro Lines" at the California Market Center on April 7-9. The Korean Apparel Manufacturers Association (KAMA) is debuted their latest contemporary fast fashions, at their LA Apparel Show.

LAZR Trade Show at The New Mart, April 23-25

LAZR is a shoe tradeshow that has FOUNDRY - a new segment of the show that is an alcove of Ready-To-Wear, Accessories and Jewelry and MARKET - a shopping experience for consumers that is open to the public.

Unique LA

This specialty show returned to the Fashion District for their 2014 Spring Market, Saturday and Sunday, May 3-4 at the California Market Center (CMC) Penthouse. Unique LA is the largest Made-In-America event in the country and features over 350 hand selected designers and artists.

LA Fashion Market Fall/Holiday 14, June 8-12

The LA Fashion Market took place June 8-12 at all the major showroom buildings in the LA Fashion District. The BID updates the website Lines Directory prior to this and all Market Week shows.

Lines Directory to Feature Expanded Information

The BID launched a new feature with the help of the wholesale showroom buildings. Including product categories in our lines directory will make it more user friendly for buyers to find women's, men's, kid's clothing and gift / home furnishings.

Downtown's First Business of the Month: Kerisma Knits

Councilmember Huizar, District 14, named Kerisma Knits Downtown Business of the Month! Kerisma Knits is located in the LA Fashion District at 800 E 12th Street.

Farmer's Market in the LA Fashion District

On July 26, 2014 a new Farmers Market is set to open on Wall Street between 7th and 8th Streets in the Flower Market. The initiators are the Southern California Flower Market and American Florist Exchange. It will take place every Saturday. The BID is working with the organizer on the launch and exploring the possibility of opening a BID information kiosk.

Proposed 2014 Third Quarter Administration/Advocacy/Economic Development Activities

- Continue to advocate for the Fashion District BID.
- Prepare for Annual Property Owner Election

COMMUNICATIONS

The LA Fashion District BID Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

New Website Launched

The new LA Fashion District website launched on May 1, 2014. On May 29, 2014 Board of Directors saw a presentation of the new responsive design website that is viewable on all mobile devices. Most of the maintenance functions can be performed by staff. A new map and photos of the district activities communicate the vibrancy of the district. New features for the wholesale lines directory and searchable directory were added.

Business Survey Update

Two companies submitted proposals for this project to update the list of over 3000 businesses in the 100-block district. Farrand Research was selected. Door to door interviews were conducted in early May and completed within two weeks. Nearly 4000 businesses were recorded. Farrand Research submitted a completed database that website designer Ocean Group will upload to the new website in early July. The searchable directory is the most popular item on our website.

BIDLINES Newsletter

The 2014 2nd Quarter Spring-Summer newsletter was mailed to all owners in the district in June 2014. A copy is included in the attachments.

PUBLICITY

Mother's Day

Valentine's Day Flower Market business and traffic drew attention of 7 media crews.

LA Register Features Fashion District

Have you visited the Fashion District recently? The *OC Register* & *LA Register* highlighted six reasons why you should visit the district this past weekend. The 3-page guide features new developments as well as the various sub-districts that make us a unique and thriving community. The story ran Saturday, April 19 in the *OC Register* and Sunday, April 20 in the *LA Register*.

| |
|---|
| 2014 Second Quarter Media Impression, Website Hit, Website Visitor, Social Media Activity * |
|---|

| | | |
|--|-------------|-------------|
| <u>Website Hits</u> | 2014 | 2013 |
| April | | |
| May | | |
| June | | |
| Totals | * | |
| <u>Website Visitors</u> | 2014 | 2013 |
| April | | |
| May | | |
| June | | |
| Totals | * | |
| <u>Impressions & Leveraged Dollars</u> | ** | |
| <u>Social Media – 1st Quarter Totals</u> | 2014 | 2013 |
| Facebook | | |
| o New Followers | 575 | 1097 |
| Twitter | | |
| o New Followers | 151 | 207 |
| Blog | | |
| o Page Views | * | |
| Instagram | | |
| o New Followers | 899 | 470 |
| Pinterest | | |
| o New Followers | 418 | 234 |

*With the redesign of the website we have switched from a built-in web analytics system to Google Analytics. As a result our analytics metrics will be changing from website hits to pageviews. The blog is now tied to the new website and also Google Analytics. This change will allow us to have a more in-depth look at user behavior and better understanding of our site functionality. However, month/month and year/year comparisons cannot be recorded until May 2015.

** Impressions/Leveraged Dollars will not be counted starting the 2014 second quarter. The available records are not a definitive representation of national and international press coverage of the LA Fashion District. We will count impressions/leveraged dollars resulting from media attention to press releases and social media generated by the BID.

Proposed 2014 Third Quarter Communications Activities

- Continue to refine social media features and the new website

SPECIAL PROJECTS

Do Art Presentation

At the Board Meeting on May 29, Members heard a presentation by DO ART, an arts organization focused on the promotion and creation of work visible in the public landscape. Artistic and Executive Director Carmen Zella presented examples of public art installations in various locations throughout the world. DO ART also provides step by step assistance in procuring funding and appropriate permits. Council District 14 supports the program. Board Members were encouraged to contact Do Art to explore art work options and funding sources for their properties.

Proposed 2014 Second Quarter Special Projects Activities

- Continue to work with Bureau of Street Services to launch the Fashion District Phase II streetscape project.

**Neighborhood and Business Improvement Districts
Quarterly Statistics for Mayor's Comstat Report**

| CATEGORY | 1st QUARTER | 2nd QUARTER | 3rd QUARTER | 4th QUARTER | Cumulative TOTALS |
|--------------------------|---|---------------|---------------|---------------|-------------------|
| Public Safety Contacts * | 40,853 | 38,237 | | | 79,090 |
| Bags of Trash Removed | 41,024 | 42,350 | | | 83,374 |
| Bulky Items Removed | 344 | 284 | | | 628 |
| Graffiti Removed | 3,617 | 3,706 | | | 7,323 |
| Weeded Areas | 15 | 9 | | | 24 |
| Citizen Contacts | 3,780 | 3,060 | | | 6,840 |
| Merchant Contacts | 5,010 | 4,645 | | | 9,655 |
| Spaces for Lease ** | Not available | Not available | Not available | Not available | Not available |
| Spaces leased ** | Not available | Not available | Not available | Not available | Not available |
| New Business ** | Not available | Not available | Not available | Not available | Not available |
| Landscaped Medians | The BID maintains two landscaped medians in the district. | | | | |

* Public Safety Incidents category was changed to Public Safety Contacts to provide the total number of contacts the BID Safe Team conducts during a quarter in the 100-block district.

** The LA Fashion District has over 3500 street level stores. Due to the extensive store inventory we do not track spaces for lease, leased, or new businesses.

ATTACHMENTS

2013 Annual Report



LA Fashion District

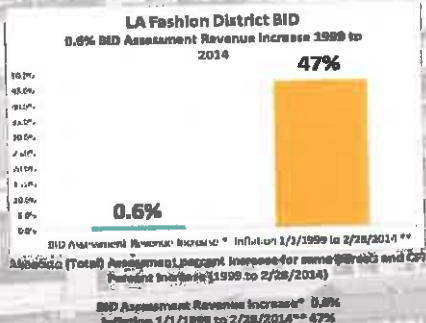
Business Improvement District 2013 Annual Report

2013 was a landmark year for the LA Fashion District Business Improvement District (BID)

Thanks to support from Property Owners the BID Clean & Safe Services were successfully renewed for another 5 years with an 89% approval vote from district property owners.

The LA Fashion District BID was formed in 1996 by a group of dedicated property owners who wanted to help preserve property values and the business community with Clean & Safe services. The focus remains the same and so does the transparent process of how we deliver services.

- 1. 15-member Board of Directors, comprised of Fashion District property owners, oversees all service & program expenses.
- 2. Board Members are elected by property owners in an annual election.
- 3. An annual audit/financial statement is published yearly and posted on the website at www.fashiondistrict.org
- 4. There will be a 2.4% assessment reduction in 2014.
- 5. All meetings are open to the public. Meeting times are posted on our website.



2014 Board of Directors

Jorge Flores, BID Board Chair/Sale Trust

Mark Cohen, ANIAC Fashion Buildings
Jason Dabier, Ace Hotel
Randy Haverlin, Haverlin Properties
Steve Hirsch, Cooper Design Space
Hilda Janner, California Flower Mall
Darlene Kuba, American Florist Exchange
Jaime Lee, California Market Center
George Lutz, Bellaire-Downtown LLC
Bradley Luster, Major Properties
Laurie Rosen, Academy Award Clothes
Elena Sotelo, Legend Real Estate Management
Brian Taban, JADE Enterprises
John Van Den Akker, 1127 Maple LLC
Susanne Wachel, Wachel Properties

BID Staff

Kent Smith, Executive Director

Joanna Cheatham, Admin Assistant
Ariana Gomez, Public Information Coordinator
Jose Gonzalez, Finance Manager
Lynn Myers, Managing Director
Elmer Pacheco, Field Supervisor
Jacqueline Sanchez, Operations Coordinator
Randall Tampa, Operations Director

Chrysalis - Cleaning Services

Universal Protection Services - Safety Services

NEW MAP GUIDES & PARKING APP



Social media promotions attracted thousands of shoppers and wholesale buyers to the Fashion District. The district also received increased media attention from local and national media.

- NBC Today Show
- Univision
- CBS Channel 2
- KCAL 9
- Telemundo Channel 52
- ABC Channel 7
- KTLA Channel 5
- Fox Channel 11
- NBC Channel 4
- HGTV
- Apparel News
- LA Business Journal
- Racked LA
- Curbed LA

WHAT BID SERVICES DID FOR YOU IN 2013

CLEAN TEAM

2,127
tons

Of trash removed

12,478

Graffiti tags removed from buildings, doors, and other surfaces

20.3
million

Square feet of sidewalk cleaned

750

Trees trimmed



Location checks for crime

SAFE TEAM



160,217
Contacts with merchants & the public

THE BID SAFE TEAM ACTS AS A FORCE MULTIPLIER FOR THE LOS ANGELES POLICE DEPARTMENT



11,800
Likes



1,800
Followers



NEW
1,850
Followers



NEW
1,200
Followers



100,400
Page Views

www.fashiondistrict.org

14.8 MILLION WEBSITE HITS — 550,000 UNIQUE WEBSITE VISITORS

350,000,000
Media Impressions

\$2.5 Million
in free advertising

2013 Financials

LA FASHION DISTRICT BID Summary of Audited Financial Information As of December 31, 2013 and 2012 *

| | 2013 | 2012 |
|--|---------------------|---------------------|
| ASSETS | | |
| Total Current Assets | \$ 1,149,218 | \$ 1,508,271 |
| Investments - Other | 996,000 | 496,000 |
| Net Property and Equipment | 136,664 | 82,658 |
| Total Assets | 2,281,882 | 2,086,929 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | 159,495 | 144,794 |
| Unrestricted Net Assets | 2,122,387 | 1,944,135 |
| Total Liabilities and Net Assets | \$ 2,281,882 | \$ 2,086,929 |
| BID REVENUES | | |
| Assessments - Current Year | \$ 3,141,883 | \$ 3,139,859 |
| Assessments - Collection of Prior Years' Unpaid | 69,871 | 57,239 |
| Assessments - Collection of Penalties & Interest | 52,385 | 26,967 |
| Other Revenue | 116,085 | 132,829 |
| BID Revenues Sub-Total | 3,379,824 | 3,366,894 |
| OVERLAYS REVENUES | | |
| North Santee Alley Overlay | 288,360 | 288,360 |
| South Santee Alley Overlay | 250,560 | 250,560 |
| Overlays Revenues Sub-Total | 538,920 | 538,920 |
| TOTAL REVENUES | 3,918,744 | 3,897,814 |
| BID EXPENSES | | |
| Cleaning | 1,449,317 | 1,408,481 |
| Safety | 1,058,501 | 1,052,174 |
| Administration | 200,349 | 210,967 |
| Special Projects | 169,181 | 163,877 |
| Image and Communications | 159,811 | 152,554 |
| Provision for Uncollectible Assessments | 107,196 | 127,569 |
| BID Renewal | 41,219 | 43,563 |
| Depreciation & Amortization | 28,593 | 35,494 |
| City & County Collection Costs | 24,102 | 24,089 |
| Parking Signage Grant Expenses | 5,000 | 5,000 |
| BID Expenses Sub-Total | 3,243,269 | 3,223,668 |
| OVERLAYS EXPENSES | | |
| North Santee Alley Overlay | 246,663 | 284,788 |
| South Santee Alley Overlay | 250,560 | 250,560 |
| Overlays Expenses Sub-Total | 497,223 | 535,348 |
| TOTAL EXPENSES | 3,740,492 | 3,768,916 |
| INCREASE IN NET ASSETS | \$ 178,252 | \$ 138,898 |

* A complete copy of the audited 2013 and 2012 Financial Statements is available on our website www.fashiondistrict.org

CLA Report on Sidewalk Vending

REPORT OF THE CHIEF LEGISLATIVE ANALYST May 13, 2014

TO: Honorable Members of the Economic Development Committee

FROM: Gerry F. Miller 13-1493 14-05-0361

SUMMARY

On November 6, 2013, Motion (Huizar-Price-Buscaino) was introduced instructing our Office to work with City departments to prepare and present a report with recommendations on possible regulation that could effectively permit and regulate food and non-food street vending on City sidewalks and parkways. The Motion specifically requested: 1) the history and status of the Special Sidewalk Vending District Program administered by the Economic and Workforce Development Department; 2) a review of policies in other jurisdictions; 3) recommendations to improve public safety; 4) the number of citations that have been issued in recent years and locations where citations were issued; 5) current regulations on street vending and how such regulations are enforced; and, 6) potential legal constraints for regulating street vending (C.F. 13-1493).

To effectively respond to the Motion, our Office consulted with the City Attorney, the Los Angeles Police Department, the Department of Public Works, Bureau of Street Services, the Office of Finance, the City Clerk's Office and the Mayor's Office. Additionally, our Office met with the County Health Department, representatives from various Business Improvement Districts, advocacy organizations and street vendors from South LA, Leimert Park and Boyle Heights'.

Background

In January 1994, the City Council adopted the Special Sidewalk Vending District (SSVD) Ordinance (No. 169319) enforced under the Los Angeles Municipal Code (LAMC) Section 42.00 (b) which prohibits the sale of goods, wares or merchandise on City sidewalks (street vending) and Section 42.00 (m) of the LAMC which allows for the formation of SSVD. While the SSVD program was initially approved as a two-year pilot program and only in eight pre-designated areas of the City, the sunset clause was removed after the first two years thereby extending the possibility of creating sidewalk vending districts indefinitely. The eight original areas designated for the potential formation of SSVDs included East Los Angeles, Central City, Our Lady Queen of Angels Church, Pico-Union, MacArthur Park, Hollywood, Northeast San Fernando Valley and Venice Beach.

In 1995, the City Council approved a petition by the *Asociacion de Vendedores Ambulantes (AVALA)* to form the SSVD at MacArthur Park which allowed for a total of 50 vendors. In March 1996, the Board of Public Works released a Request for Proposals (RFP) to select a contractor to manage the vending district. Due to poor response to the RFP and other conflicts, CDD identified Cathedral Housing Economic Development Corporation as a potential contractor and issued a sole source contract for \$235,308 for a one year period. According to a July 1999 Community Development Department Report, over \$140,000 was paid to a local manufacturer to design and create vending carts. Fifteen fully permitted vendors generated \$3,589 in permit fees in six months and \$1,500 in business tax certificates for the City. The Community Development Department also reported that vendors operated as micro-businesses with attractive colorful carts and were drawing more families with children to the park which was seen as a sign that the area was being revitalized. To date, the MacArthur Park SSVD has been the only vending district formed and it is no longer in existence. According to a January 9, 1992 City Administrative Officer report, approximately \$1.1 Million would be required to fund the operation of both a Citywide and a SSVD vending program for a six-month period. Operation of an SSVD-only program would require approximately \$500,000 in funding.

† Council District 14, Council District 9, Mayor's Office, City Attorney, City Clerk, Public Works Bureau of Street Services, Los Angeles Police Department, Office of Finance, Los Angeles County Health Department, Central City Association, Street Vending Steering Committee, Downtown BID, LURN, South Park BID, Los Angeles Food Policy Council, Highland Park BID, East LA Community Corporation (ELAC), LA Fashion District BID, Public Counsel, Occidental College, Coalition for Humane and Immigrant Rights LA, Los Angeles Metropolitan Churches, RISE LA, Downtown Neighborhood Council and street vendors from South LA, Leimert Park and Boyle Heights.

The requirements for the formation of Special Sidewalk Vending Districts as identified in LAMC Section 42.00 (m) are summarized below:

- 1) The endorsement of 20 percent of businesses and 20 percent of residents within the proposed district boundaries were required to propose establishment of the district.
- 2) A review and recommendation by a Community Advisory Committee, appointed by the Council District Office in which the proposed district is located. The Committee was required to include merchants, residents, proponents of the district, Street Use Inspectors, the Sidewalk Vendor Administrator, representatives from the Council Office and the Los Angeles Police Department.
- 3) A hearing before the Board of Public Works to allow merchants and residents to oppose establishing the district.
- 4) City Council vote to approve or disapprove a district.
- 5) If the Council voted to establish the district, the merchant immediately adjacent to the proposed vending site must sign a petition to allow a vendor to sell.
- 6) Either the applicant or any other person affected by the issuance of a vending permit may request reconsideration by the Community Development Department of its decision to grant or deny an application for permit within a 45-day period.

As instructed by the Motion, our Office conducted a review of street vending programs in other cities including Portland, New York, Philadelphia, and Chicago. We found that all four cities require permits to sell goods or services on city sidewalks and streets in pre-designated areas of the city. In New York City, the Department of Consumer Affairs regulates and issues licenses required for vending general merchandise and the Department of Public Health regulates and issues licenses and permits for food-related vending. A limited number of general merchandise and food permits are issued in designated areas of the city. Additionally, an unlimited number of permits are issued to war veterans. The City of Portland permits street vending on a citywide basis and provides guidelines with regard to location and distance from specified buildings and properties. While the City of Philadelphia offers two types of permits (food trucks and food carts), there is only one district for food trucks where street vending can occur, University City.

Cities, such as Portland and New York procured a professional consultant to study the benefits and negative consequences of allowing street vending and to determine which economic opportunities could be gained particularly by street vending among low-income and minority entrepreneurs. The studies found that street vending had a positive impact on street vitality and neighborhood life. Additional information about each city is provided in the Discussion section of this report.

Conclusion

The City currently allows for the formation of Special Sidewalk Vending Districts citywide with the exception of commercially zoned areas of the City. A preliminary review of the history of the SSVD formation process indicates that the process may have been too cumbersome for districts to form. Additionally, with the exception of funding provided for the MacArthur Park SSVD, no subsequent funding allocation has been provided for street vending.

Our review of other cities found that cities which experienced positive economic impacts resulting from street vending, had also received funding and dedicated staff to operate and enforce their respective street vending programs.

An effective operation of a citywide legalized street vending program in Los Angeles would require coordination among law enforcement, Bureau of Street Services, City Attorney, Office of Finance, the County Health Department, and community stakeholders. Should the Council wish to proceed with implementation of a citywide street vending program within pre-designated districts, the necessary amendments would have to be made to the Los Angeles Municipal Code to streamline the district-based citywide street vending formation requirements.

Additionally, the Council may wish to instruct City departments to report on the personnel and budget required to operate an effective citywide street vending program in the City of Los Angeles.

Our Office recommends that the Council adopt, in concept, a citywide street vending policy and instruct staff to review Sections 42.00 (b) and (m) of the LAMC and provide recommendations to facilitate and improve the formation and implementation of Special Sidewalk Vending Districts Citywide. Staff should also be instructed to develop guidelines and procedures; examine enforcement and administrative costs; evaluate potential revenues derived from fees, sales tax, business licenses, and enforcement penalties; identify geographic areas to be exempted from street vending ordinance; coordinate with the County Health Department to ensure consumer safety and compliance; work with the Food Policy Council to identify food desserts and to encourage healthy food vending in such areas of the City; and work with the business community to minimize potential negative impacts.

RECOMMENDATIONS

That the City Council:

1) Adopt, in concept, a Citywide street vending program and instruct the City Administrative Officer, Office of the Chief Legislative Analyst, City Attorney, Economic and Workforce Development Department, Department of Public Works, Bureau of Street Services, Los Angeles Police Department and any other appropriate department to, as an initial step, review Sections 42.00 (b) and (m) of the Los Angeles Municipal Code and provide recommendations to facilitate, fund and improve the formation and implementation of Special Sidewalk Vending Districts citywide.

2) Instruct the Los Angeles Police Department and the Bureau of Street Services, Department of Transportation, and request the assistance of the County Health Department, to report on current street vending enforcement efforts and provide recommendations to improve the enforcement of street vendors including personnel and budget impacts.

3) Instruct the Economic and Workforce Development Department to:

a) Work with the City Administrative Officer and the Office of the Chief Legislative Analyst, with the assistance of the City Attorney, LAPD and BSS, to report on the impacts of establishing a street vending program, including personnel, guidelines and procedures, operational budget, vendor fee structure, revenue projections, implementation schedule, evaluation procedure, and best practices.

b) Provide technical assistance through the BusinessSource Centers and, in conjunction with community stakeholders, develop an educational campaign to assist street vendors with compliance with city, county and state requirements.

c) Work with the Food Policy Council to identify food desserts throughout the city and specifically encourage healthy food vending in such areas; and address other issues as necessary.

d) Work with the Department of Public Works, Bureau of Street Services and the Los Angeles Police Department to report on current enforcement efforts and develop an effective enforcement strategy that can enable and promote street vending as an economic development tool that complies with safety, traffic and health requirements.

e) Partner with the Los Angeles County Health Department to explore other potential economic development programs that can be encouraged concurrently with street vending. Specifically provide a comparative analysis of the types of permits issued and consider microbusiness programs and activities that can be more accessible to low income communities and other issues as needed.

Felipe Valladolid Chavez
Legislative Analyst

DISCUSSION

Public Input

Many of the concerns that are currently voiced for and against street vending are similar to those voiced when the SSVD model was originally adopted. According to street vendor advocates, in the past, street vendors were predominantly recent immigrants who were searching for a source of income to pay for basic necessities such as rent, bills and food. However, advocates note that, as a result of the economic crisis, many previously employed individuals, including older adults, war veterans and single mothers now turn to street vending as a source of income. According to testimony provided by street vendors and advocates, street vendors often face harassment by law enforcement and business owners. In some cases, street vendors have also reported possible violations of human and civil rights.

In the same manner, opponents of street vending are concerned with the potential negative impacts of a legalized street vending program. In particular, the business community has expressed concerns with the City's inability to enforce current law or any potential expansion of a legalized street vending program. Opponents have also cited issues and concerns related to increased costs associated with trash pick-up; blocked sidewalks and compliance with the American Disability Act (ADA); potential liability assumed by nearby merchants relative to sidewalk accidents; food contamination; quality of life issues; and, the lack of collection of sales, property and business taxes from street vendors.

Current Regulation of Street Vending

Los Angeles Municipal Code (LAMC) Section 42.00(b) prohibits the sale of goods, wares or merchandise on City sidewalks. However, Section 42.00(m) allows for the establishment and regulation of special sidewalk vending

districts. The code provides the requirements for establishing a vending district, enforcement guidelines, vendor application process, utilization of a commissary to store and sanitize the carts and associated equipment, district boundaries, and the number of vending sites. The Los Angeles Police Department and the Department of Public Works, Bureau of Street Services are the agencies responsible for enforcing this law. The types of citations issued by BSS are Notice to Appear, Notice of Violation and Arrests. The LAPD reports that while not all encounters with street vendors end with an arrest, 795 arrests were made in 2012 and 1,235 in 2013. The Police Divisions with the highest number of arrests include Central, Rampart, Newton and Hollywood.

Number of Street Vendor Citations throughout the City of Los Angeles

As demonstrated in Table 1, BSS reports that in Fiscal Year (FY) 2012-13, there were 271 citations issued and as of March 2014, 286 citations have been issued in FY 2013-14. The BSS indicates that there are no fees for a criminal citation or arrest. The citation is a release from custody based on a promise to appear. Any potential fine is set by the courts. The violation is a misdemeanor and the judge may impose a penalty ranging from \$0 to \$1,000 and/or jail.

County Health Department

Pursuant to Los Angeles County Code Title 8, Public Health licenses and permits are required of any business or activity within the area in which the county health officer enforces any state statute, order, quarantine, rule or regulation relating to public health, whether within or outside and incorporated city.

Under the Health Department, the County operates the Street Vending Compliance program which consists of ten inspectors who respond to and investigate complaints from the public. According to the Health Department, due to limited resources, the size of the County, and the number of complaints received each day, not all complaints are addressed. The food vendors must abide with operational requirements related to employee practices, access to toilet facilities, cooking and holding temperatures, and foods protected from contamination and adulteration. In addition to street vending permits, the County also issues health permits for food vending at special events and farmer's markets. The sale of general merchandise does not require a health permit.

Review of Policies in Other Jurisdictions

As requested by the Motion, our Office reviewed street vending programs in other major cities. We note that this is only a preliminary review and additional information related to cost of implementation may be needed to determine how the programs are implemented, funded, formed and enforced.

Portland

In the City of Portland, operating a sidewalk vending cart requires a city permit from the Office of Transportation. Vending on private property does not require a vending cart permit from the Office of Transportation, however, permits from the County Health Office or other types of licenses may be required. A pre-approved list of items for vending was created. The list includes food and beverages for immediate consumption, fresh cut flowers, inflated balloons, jewelry, maps, shoe shining, and umbrellas. The City requires that all items or services to be sold comply with certain restrictions related to the cart and location dimensions and in cases where there could be competition with brick and mortar businesses. A certificate of liability insurance and a letter of consent from adjacent businesses are also required. Depending on the location and type of item sold, the following types of licenses are required: Business License, Oregon Food Handler Card, Health Inspection Certificates, Office of Transportation Permit, Propane Permit Fee, and City Permit. Permits renewed prior to expiration do not require a fee. Violations of the City Charter may be punishable by a fine not to exceed \$500 and/or six-month imprisonment.

Urban Vitality Group (UVG) Study

The UVG partnered with the City of Portland to study the effects that food carts have on street and neighborhood vitality. The purpose of the study was to assess the benefits and negative consequences of allowing food carts within the city and to determine what economic benefits may there be for low-income and minority entrepreneurs. Prior to the study, the City or Portland lacked information regarding the food cart industry, as carts were not included in the City's annual business inventory because of their temporary and mobile nature. Push carts in the public right-of-way have different regulations than stationary mobile carts that located on private property. The Portland Department of Transportation (PDOT) regulates temporary structures in the right-of-way, including push carts. While the City of Portland does not currently restrict the number of food carts in the region, PDOT strictly specifies how many push carts can locate on each block, the appropriate distance between carts, and minimum distance from the road and surrounding buildings. As long as stationary mobile carts have functional wheels, an axle for towing, and are located in a commercial zone, they are considered vehicles and are not required to conform to the zoning or building code.

The UVG study made the following findings:

1. Food carts have positive impacts on street vitality and neighborhood life in lower density residential neighborhoods as well as in the high density downtown area.
2. When a cluster of carts is located on a private site, the heightened intensity of use can negatively impact the surrounding community; primarily from the lack of trash cans.
3. A cart's exterior appearance does not affect social interactions or the public's overall opinion of the carts; seating availability is more important for promoting social interaction than the appearance of the cart's exterior.

New York

A report by the Columbia University Graduate School of Architecture, Planning and Preservation (GSPP), reports that there are generally five types of street vendors representing approximately 13,000 people that operate on the streets and sidewalks of New York City. The types of vendors include: Food Vendor, General Merchandise Vendors, 1st Amendment Vendors, Veteran Vendors and Unlicensed Vendors. Unlicensed vendors are the only vending group not officially recognized. There are approximately 3,000 food vendors in New York City who are regulated by the New York City Department of Health and Mental Hygiene. Food vendors are required to have a city license to legally vend. There is no limit to the number of licenses that the City issues. The cost for the license is \$10 for a "seasonal" license and \$50 for a two year license. There are over 14,000 people with food vending licenses in New York City.

Food vendors are also required to place a permit on the carts/tables/trucks from which they sell. The cost for these permits is an additional \$15 to \$200. However, the number of food permits is capped at 3,000. An additional 500 temporary permits are released between April and October. Currently, the wait list to obtain a permit is closed, however, at one point the average time to receive a City issued permit was five to 10 years and there were nearly 10,000 people on the list. The authors of the study found that the demand for these permits has led to a black market where permits are leased by permit owners for prices as high as \$15,000. A New York Times article reported the price for permits in the black market to be over \$200,000.

There are generally three types of food carts: non-processing food carts which cost approximately \$3,000, larger food processing carts which cost between \$15,000 and \$30,000; and food trucks which cost around \$80,000. The New York Department of Health (DOH) regulates food vendors. Food vendors are subject to inspection by DOH. The cost to store equipment in a commissary costs between \$250 and 500 per month.

The authors of the study indicate that these regulations and economic structures suggests that food vendors are not typically self-sustained and are often at the bottom of a hierarchical structure of permit holders, cart owners, and garage owners. General merchandise vendors are capped at 853 and the waiting list has been closed since 1992. General merchandise vendors have much lower start-up costs than food vendors. Therefore, they generally have a lower ceiling for success. In 2008, then Mayor Michael Bloomberg signed a law to allow for 1,000 permits for Green Carts in New York City. The initiative was supported by a \$1.5 million grant from the Laurie M. Tisch Illumination Fund. The fund enables micro-loans for vendors as well as technical assistance, branding, marketing, and outreach to residents in designated Green Cart areas. This program was launched along with other initiatives to ensure that fresh fruit and vegetables are available in "food dessert" areas in the City where diabetes and obesity are high and linked to the inaccessibility of fresh fruits and vegetables. The authors of this study report that possible overregulation of Green Carts has kept the initiative from reaching its full potential. Although 1,000 permits are available, only 350 have been issued. Green Cart vendors may only sell raw fruits and vegetables. They require a valid mobile food vending license and a Green Cart Permit. Green Cart operators may not cut, slice, or peel produce on their cart.

Chicago

According to the Chicago Food Policy Council, supportive vendor and concession policies offer an opportunity to both create jobs and increase food access in Chicago. Chicago offers three types of licenses for street-vendor businesses: Peddler, Mobile Food Dispenser and Park Concessions. Each one has distinct properties and procedures and offer different advantages and disadvantages.

Peddlers sell their items, (food and non-food) from a mobile wagon, cart, pack or basket. The city issues non-food license permits to individuals who wish to sell general merchandise. Food peddlers, are permitted to sell, whole, uncut fruits and vegetables and no other food items. Peddlers are not allowed to handle or prepare food. Food peddlers may also sell non-food items as long as they are less than 15 percent of gross sales. The city restricts peddlers to only certain areas of the city. The Peddler License costs \$165 for most applicants and \$88 for seniors, veterans and the disabled.

Philadelphia

In addition to a business license, a special license or permit is required for sidewalk or street vending within specific neighborhood business districts. The Neighborhood Vending District License is the license for sidewalk carts in the Special

Vending Districts. The Special Vending District License is for motor vehicle vendors in the Special Vending Districts. Currently, University City is the only Special Vending District which permits food trucks, therefore, they are the only vendors that use the Special Vending District License. To obtain a street vending permit, vendors must get the following prior approvals: award letter from License and Inspections Vending Unit, Food Establishment, Retail Non-Permanent Location (if food will be sold), Health Department Approval (if food will be sold), Commercial Activity License, City of Philadelphia Tax Account Number, Federal Tax Identification Number and Weighing and Measuring License (if applicable).

NOV 06 2013 MOTION presented by Councilmember Currin Price

Street vending on the City right-of-way and sidewalk is illegal. In the average year, there are hundreds of tickets written to vendors, and several hundred arrests. Yet thousands of vendors continue to operate in an underground marketplace, selling a wide variety of food and merchandise on the sidewalks of Los Angeles.

Street vending large[y] falls within two categories, food street vending and merchandise (non-food) street vending, each with their own complexities. Street vending is permitted in various forms by most other large cities. New York, San Francisco, Houston, Portland and Chicago are among the cities that have established a regulatory system for selling merchandise and/or food on city sidewalks.

In Los Angeles, a more comprehensive legal framework is required to effectively address sidewalk vending. An effective regulatory system has the potential to protect health and increase public safety and economic activity. Such a policy should also consider the rights and investments of brick-and-mortar businesses, including opportunities to expand and promote their businesses through street vending and with the overall goal of enhancing economic growth and the viability of neighborhoods.

I THEREFORE MOVE, that the CLA, along with Bureau of Street Services and in consultation with other Departments as needed, the City Attorney and the County of Los Angeles, be instructed to prepare and present a report within 90 days with recommendations on possible regulation that could effectively permit and regulate *food street vending* on City sidewalks and parkways. This report should include the following: the history and status of the Special Sidewalk Vending District program administered by the former Community Development Department; a review of policies in other jurisdictions; recommendations to improve public safety; and ways to ensure street food vendors provide safe and healthy food options.

I FURTHER MOVE, that the CLA, along with Economic and Workforce Development Department, City Attorney and Bureau of Street Services, and in consultation with other Departments as needed, be instructed to prepare and present a report within 90 days with recommendations on possible regulation of *merchandise and non-food street vending* in the City of Los Angeles. This report should include the following: information on the number of citations that have been issued over the past year and where the citations were issued; the current regulations on street vending and how the regulations are enforced; potential legal constraints for regulating street vending; and a review of policies in other jurisdictions.

Correspondence to Economic Development Committee Chair



May 8, 2014

Council Member Curren D. Price
District 9
City of Los Angeles City Hall
200 N. Spring Street, Room 420
Los Angeles, CA 90012

SUBJECT: Concerns Regarding Proposed Legalization of Sidewalk Vending

Dear Council Member Price,

On behalf of the LA Fashion District BID Board of Directors and its 1200 property owners we urge you to consider a number of problems that would be created if legalized sidewalk vending is approved by the City of Los Angeles.

As you know, the retail areas of the LA Fashion District already exemplify the walkable neighborhoods you are striving to create all over your Council District. Pedestrian counts show that streets around Santee Alley have pedestrian traffic that rivals those on Third St. Promenade & Hollywood Boulevard.

The LA Fashion District is already overwhelmed by mobile food vendors occupying metered parking spaces in the district. On Saturday March 22, 2014, 91 mobile food vendors were counted in the district. (see attached map). These vendors are concentrated in retail areas with the highest volumes of pedestrians and storefronts. For example on the 2 block stretch of Maple Avenue between Olympic Blvd & 11th St. we counted 17 mobile food vendors. Our first restaurant at Maple and Olympic recently closed because of the large number of mobile vendors here. The City has no regulatory control over the number and location of mobile food vendors. These vendors already locate below residential units after bars close at 2am creating significant noise & obnoxious odors for the thousands of residents living in CD 14.

Our experience with mobile food vendors has shown a growing level of public safety concerns for pedestrians as they try to navigate by store entrances, window shoppers and mobile food customers standing in line waiting to order food. Legalizing sidewalk vending would substantially add to these public safety concerns by taking sidewalk space from pedestrians.

The County of Los Angeles Health Department is already overwhelmed in its effort to enforce health standards on mobile food vendors. On April 8, 2014 the Los Angeles Times outlined the public health hazards of mobile food vending already present in Los Angeles because of the County inability to enforce public health standards on these types of food vendors.(see attached article) Legalizing sidewalk vending would only exacerbate these public health hazards in Los Angeles.

The Bureau of Street Services is also totally overwhelmed enforcing illegal vending regulations in Los Angeles. Mobile food vendors already place ice chests, chairs, tables & even umbrellas on the sidewalk with impunity as there is negligible enforcement by the City.

In 1998, McArthur Park was used as a pilot project for sidewalk vending. It was a failure because of a lack of enforcement of illegal vending elsewhere. There was no reason for vendors to obey the rules & locate within the vending district. The City does not & will not have the capability to enforce sidewalk vending rules.

There are other concerns about legalizing sidewalk vending in Los Angeles as outlined in the bullet points below:

1. **Sidewalk Repairs:** Sidewalk vending would allow the private commercial use of the sidewalk at a time when the City of Los Angeles is considering making the adjacent property owner responsible for sidewalk repair & replacement. Allowing sidewalk vending could prevent the City from assigning responsibility of sidewalks to property owners.
2. **Liability:** The City already pays millions of dollars in claims for slip & falls on sidewalks. Allowing private commercial use in the form of sidewalk vending blurs the responsibility for sidewalk slip & falls...how can property owners take responsibility for this when they do not control the use of the sidewalk. Property owners cannot be held responsible for the sidewalks when the City permits the private use of these sidewalks for vending without their consent.
3. **ADA Compliance:** Sidewalks are often narrow & sidewalk vending can put the City at risk for ADA lawsuits & force pedestrians onto the street creating safety hazards. The City does not have the capability to enforce sidewalk vendors to comply with ADA .
4. **Trash Removal:** Sidewalk vending generates trash and unlike BIDS where property owners and merchants pay for trash removal on the public sidewalk there is no mechanism to ensure the payment of trash removal by sidewalk vendors. The Fashion District has operated a volunteer program for trash removal generated by mobile vendors for a number of years but with no enforcement, only 4 mobile vendors out of more than a hundred pay for this service. Almost all the rest of the mobile vendors use BID receptacles at no charge or dump their trash in the street.
5. **Permit Compliance:** Normally when the City allows private use of the public sidewalks, permits are required. In the case of sidewalk dining these permits are revocable & are expensive as well as being strictly enforced. Even special events using the public sidewalk require permits. This gives the community and neighbors a chance to comment & express their concerns about the use of the sidewalk. How will the public have input on sidewalk vending in their neighborhood?
6. **Sales Tax and BID Assessments:** Commercial districts are integral to creating great walkable neighborhoods and the addition of ground floor small businesses have been the key ingredient in the revitalization of every neighborhood in Los Angeles from downtown to Eagle Rock. Sidewalk vendors do not pay BID assessments and do not contribute to these neighborhoods. Bricks & mortar small businesses go through an expensive permitting process and spend a large amount of money providing restrooms and common areas for their customers. Sidewalk vendors have no such requirements & therefore have a competitive advantage over these neighborhood small businesses. In fact their common

area is the public sidewalk which is paid for by property owners and merchants through their rents not by sidewalk vendors. There is also no mechanism to ensure that sales taxes paid will benefit the City of Los Angeles. This is especially true when many commissaries are located outside the City of LA.

Our business owners provide LA with:

- **Jobs** for staffing stores, showrooms and restaurants
- **Sales and Property Tax Revenue**
- **BID Assessment Dollars** that provide services the City cannot deliver such as regular sidewalk cleaning, tree trimming, trash and illegal dumping collection, graffiti removal and safety patrols

Brick and mortar businesses, the lifeblood of vibrant and walkable streets are already competing with online commerce and mobile vendors with no stake in neighborhoods. Adding sidewalk vending will jeopardize their ability to thrive in Los Angeles.

We appreciate your consideration of these points in deciding on the feasibility of legalizing sidewalk vending in Los Angeles.

Sincerely,

Kent Smith, Executive Director
LA Fashion District BID

Enclosures: Map of Mobile Vendor locations
LA County food-truck safety program leaves a bad taste in the mouth.
LA Times article: April 7, 2014

Cc: Council Member Paul Krekorian, District 2
Council Member Jose Huizar, District 14
Council Member Gilbert A. Cedillo, District 1
Council Member Nury Martinez, District 6
Holly L. Wolcott, Interim City Clerk

Council Move to Legalize Street Vending Sparks Opposition in Downtown From LA Downtown News

By Eddie Kim | Posted: Monday, June 16, 2014 5:00 am

DOWNTOWN LOS ANGELES — Street vending is illegal in Los Angeles. Yet as every Downtown worker or resident knows, it flourishes in the Central City, with hot dog sellers, clothing hawkers and more often popping up on sidewalks.

Now, a pair of City Council members has embarked on an effort to legalize and regulate the practice, arguing that doing so would bring vendors out of the shadows and allow them to contribute to the local economy. That, however, has sparked an outcry from some local business and community leaders, who worry that the move would [hamper Downtown's revitalization](#) and harm brick-and-mortar businesses. They also believe the city simply can't regulate a swell of newly empowered vendors.

"Downtown is a unique community, and sidewalk vending can get in the way of growing a neighborhood," said Kent Smith, executive director of the Fashion District Business Improvement District. "If the city implements a new framework for street vending, that's one thing. But where is it getting the resources to maintain it? I like the happy world of regulation, but I don't think it's the reality."

The implications of street vending have been discussed for years, and in November 14th District City Councilman José Huizar and Ninth District rep Curren Price authored a motion to look at legalizing the practice. In May, the Chief Legislative Analyst's office issued a seven-page preliminary report recommending Los Angeles adopt a citywide street vending program.

Although details are still being worked out, the early plan involves creating a regulatory structure with a slew of rules regarding where vendors can work, how many can operate on a block, how far they must be from storefront businesses, what fees they need to pay and more. No timeline for implementation has been revealed. Huizar said government involvement is required because the status quo is unsustainable and hurts both storefront shops and vendors alike.

"The system we have right now, no matter where you stand on the debate, it's broken and everyone needs a regulatory system," Huizar said. "We need to allow vendors to sell their wares while putting mechanisms in place to protect brick-and-mortar businesses."

Although street vending is ubiquitous in Downtown, it is most pronounced in the Fashion District, where dozens of mobile food carts and clothing and accessory vendors can set up shop on weekends. The Historic Core also sees numerous vendors, and South Park sidewalks swell when large events take place at Staples Center or L.A. Live.

While she says she understands the argument that vendors are just trying to earn a living, Blair Besten, executive director of the Historic Downtown Los Angeles Business Improvement District, said that they can create problems in a neighborhood. Sidewalk blockages caused by vendors can force pedestrians to walk in a street filled with cars, Besten said. She added that people have been burned by hot griddles on mobile food carts. Unscrupulous vendors also leave behind piles of trash, she said. She recalled an incident in which a vendor dumped his hot dog water into an alley by the Flower Street Lofts, attracting a clan of hungry rats.

"We had to call our team to go clean that mess up," Besten said. "It's not fair for the businesses who are paying us for clean-and-safe crews to have to deal with these street vendors."

Past Failure

This isn't the first time the matter has come up. In 1994, the city adopted the Special Sidewalk Vending District Ordinance. That allowed the formation of vending districts in eight areas, including East Los Angeles and the Central City. It was largely a failure, however, as only one was ever established, at MacArthur Park, and it no longer exists.

The CLA report suggested that the ordinance failed because of an overly complicated district establishment process. Today, numerous difficulties remain, with vendors complaining that enforcement from the police department is confusing and arbitrary, with some vendors receiving warnings and others being arrested.

The CLA report was discussed at a packed May 13 hearing before the Council's Economic Development Committee, on which Huizar sits. During several hours of testimony, those in favor of regulation charged that arrests have led to the deportation of undocumented immigrants. An LAPD representative pointed to other negative impacts, saying that the threat of punitive action makes some vendors wary of reporting robberies and attempts at extortion from local gangs, who will charge a "tax" when the mobile sellers set up in certain districts.

Confusion also arises because vendors can obtain city business tax registration and permits to serve food from the county Department of Public Health, said Isella Gracian, vice president of operations for the East Los Angeles Community Corporation, which is working with Huizar and Price on the topic.

"People go in to do the paperwork and pay for what seems to be all the right permits, and so you can imagine how shocked they are when LAPD comes and arrests them," Gracian said.

Micro-Business View

Several people at the May 13 committee meeting said they turned to street vending after losing their job or as a way to get out of homelessness.

"With jobs, I'm discriminated against not for the color of my skin or my features, but my age," testified Felice McGuinness, a vendor in Leimert Park. "But joining the ranks of homeless African Americans is not an option for me. I want to earn my way, and street vending has allowed me to stay afloat."

Advocates for street vendors say they contribute to the economy and could do so on a greater scale with a proper system of registration and taxation. The view is shared by Price.

"We need to use all of our tools to promote the local economy," Price said. "We shouldn't overlook these micro-businesses, and we need to find a way to formalize this entrepreneurship, because it's been going on for a long time in this city."

Gracian maintains that brick-and-mortar businesses don't need to view street vendors as adversaries. The CLA report referenced a study of the Portland, Ore., street vending scene that found that food carts had "positive impacts on street vitality and neighborhood life" in [high-density downtown areas](#).

That's not very convincing to Downtown Los Angeles opponents of the current proposal, who see huge question marks over vendors' accountability and their ability to benefit neighborhoods.

"We have concerns about how vendors will factor in terms of contributing to the BIDs or otherwise to keep our streets clean and safe, and what can be done to maintain distance from storefront businesses," said [Jessica Lall](#), [executive director](#) of the South Park Business Improvement District.

Huizar and Price have said that fees collected through a new permitting system could help pay for a dedicated police unit to deal with street vendors and fund additional resources for county and city agencies. Still, Smith, Besten and Lall are doubtful that a cash-strapped city would be able to enforce any new ordinance. The issue isn't with legal vendors doing things right, Besten said. The worry is that illegal vendors will also flock to Downtown and will take advantage of lax enforcement.

"There's no point if the cops come by once with a warning and don't return for the rest of the day," Besten said. The Economic Development Committee will meet again in August to discuss the matter. At the same time, the office of the city Chief Administrative Officer will prepare another report, this one examining funding mechanisms and cost estimates of a citywide street vending program.

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BID LINES

LA Fashion District Business Improvement District (BID) Newsletter

BID Safe Team

2014 1st Quarter Report

- Initiated **41,000** contacts with the public to address various issues
- Conducted **12,600** location checks for crime
- Assisted **3,700** shoppers to find store locations and lost cars

BID Clean Team

2014 1st Quarter Report

- Removed **3,620** graffiti tags from buildings, doors and other surfaces
- Collected **41,000** bags of trash from cans, alleys, and illegal dumping
- Cleaned **5.6 million** sq. ft. of sidewalk by pressure washing/scrubbing

24-Hour Response

The LA Fashion District BID Safe & Clean Team can be reached 24 hours at 213-741-2661.



We have a new website!

In April the BID revamped the LA Fashion District website, www.fashiondistrict.org to make it more user-friendly and accessible on mobile devices and tablets. The site was built on a responsive layout so it can automatically detect the size of the screen it is viewed on. This was crucial to the site as our analytics show approximately 52% of our web traffic comes from tablet and mobile devices. The site also features a new interactive directory and integrated blog to help customers connect with Fashion District businesses.

We are in the process of updating the business information on the new directory. If your business is not listed or you would like to make changes to your business listing please contact our Public Relations & Social Media Manager, Ariana Gomez at 213-488-1153 ext. 718 or ariana@fashiondistrict.org.

Yearly: Remove 12,500 graffiti tags. Conduct 53,000 crime prevention safety checks. Remove 2,127 tons of trash a year



Safe Team Involved in 21 Arrests

Thanks to the hard work of the LA Fashion District BID's 24-hour response Safe Team, there has been very little crime in the area. In the last two and a half months, the BID Safe Team has made or been involved in 21 arrests, 19 of which were made for malicious mischief involving vandalism or graffiti. Two of the arrests made resulted in the discovery of previous convictions.

BID Awarded Grant to Keep District Clean

BID Operations Director Randall Tampa helped the Fashion District obtain grant funding from Keep America Beautiful to support implementation of a 2014 Cigarette Litter Prevention Program (CLPP). Ash receptacles will be installed in various locations to encourage proper disposal of cigarette butts. Visit the website to learn more about the program at www.preventcigarettelitter.org.

Illegal Sidewalk Vending Update

Earlier this year, Councilmember Jose Huizar, District 14 proposed the legalization and regulations of sidewalk vending in Los Angeles. On May 13, the Chief Legislative Analyst (CLA) released a report on Sidewalk Vending. Over 100 people attended the meeting to voice their opinions for and against current sidewalk vending practices. LA Fashion District BID Executive Director, Kent Smith testified at the meeting and recommended more time be allowed for report review and public feedback. Several other BIDs also testified with concerns about trash, sanitation, and ADA compliance.

LAMC enforcement at San Pedro Swap Meet

We expect the City's Bureau of Street Services Enforcement Division to continue citing those who are found in violation of LAMC 56.1. Sidewalk vending is a public safety hazard with over 400 illegal vendors congregating there on Saturday mornings.



Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 2,127 tons of trash a year



In the News: Mother's Day Press Coverage

The BID was able to secure significant Mother's Day coverage for the LA Flower District on local television stations. ABC Channel 7, CBS 2/KCAL 9, Fox 11, NBC Channel 4 and Telemundo all featured our flower markets as a go-to destination for affordable holiday blooms. Several of the stations visited the California Flower Mall (825 S San Pedro St.) for live interviews with business owners and shoppers.

Marketing & Communications

2014 1st Quarter Report

- **162,565** unique website visitors.
- **2,851** new Facebook fans
- **481** new Twitter followers
- **495** new Instagram followers
- **427** new Pinterest followers
- **32,347** blog page views

In the 2014 1st quarter the BID worked with local and national media to secure press coverage on numerous local TV stations, Univision, and Arizona's AZ Family Channel 3. The district was also featured on shopping blog Racked LA, and the U.S. Chamber of Commerce's www.FreeEnterprise.com.

Broadway Streetscape Dress Rehearsal

District 14 Councilmember Jose Huizar's Broadway Streetscape initiative is preparing to enter the Dress Rehearsal stage. The Broadway Streetscape will implement pedestrian-oriented, traffic-calming tools in an effort to make Broadway a more enjoyable place to walk and shop. The Dress Rehearsal is a semi-permanent implementation of the road configuration project. It includes reconfiguration of the street to three lanes of traffic and the addition of outdoor furniture.



Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 2,127 tons of trash a year

No Assessment Increase in 2015

Property Owners in the LA Fashion District BID will see no increase of BID Assessments for 2015. BID Assessments have only increased 0.6% from 1999 to 2014.



BID Lines LA Fashion District Business Improvement District Newsletter Spring/Summer 2014
110 E 5th Street, Suite A1175, Los Angeles CA 90079 P 213.488.1153 F 213.488.1159
www.fashiondistrict.org

Return Service Requested

Yearly: Remove 12,500 graffiti tags, Conduct 52,000 crime prevention safety checks, Remove 2,127 tons of trash a Year



2014 OCT 20 PM 12:21

ADMINISTRATIVE
SERVICE DIVISION

LA Fashion District Business Improvement District

2014 Activity Reports

Third Quarter

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**Neighborhood and Business Improvement Districts
Quarterly Statistics for Mayor's Comstat Report**

| CATEGORY | 1st QUARTER | 2nd QUARTER | 3rd QUARTER | 4th QUARTER | Cumulative TOTALS |
|--------------------------|---|---------------|---------------|---------------|----------------------|
| Public Safety Contacts * | 40,853 | 38,237 | 36,450 | | 115,540 |
| Bags of Trash Removed | 41,024 | 42,350 | 40,712 | | 124,086 |
| Bulky Items Removed | 344 | 284 | 553 | | 1,181 |
| Graffiti Removed | 3,617 | 3,706 | 3,347 | | 10,670 |
| Weeded Areas | 15 | 9 | 14 | | 38 |
| Citizen Contacts | 3,780 | 3,060 | 2,316 | | 9,156 |
| Merchant Contacts | 5,010 | 4,645 | 3,515 | | 13,170 |
| Spaces for Lease ** | Not available | Not available | Not available | Not available | Not available |
| Spaces leased ** | Not available | Not available | Not available | Not available | Not available |
| New Business ** | Not available | Not available | Not available | Not available | Not available |
| Landscaped Medians | The BID maintains two landscaped medians in the district. | | | | |

* Public Safety Incidents category was changed to Public Safety Contacts to provide the total number of contacts the BID Safe Team conducts during a quarter in the 100-block district.

** The LA Fashion District has over 4000 street level stores. Due to the extensive store inventory we do not track spaces for lease, leased, or new businesses.

2014 OPERATING BUDGET SUMMARY

The total improvement plan budget for the 2014 Fashion District BID is \$3,570,800.

FINANCE

Minimum Wage Increase

Increases went into effect on July 1, 2014. There is no need to increase assessments to cover the costs.

2015 Budget Preparation

Program and service budgets were prepared for Committee review and approval.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2014 Annual Budget

\$2,759,180

77% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Third Quarter Contact Summary

BID Safe Team officers conducted 2,316 **Citizen Assist** events during the 2014 3rd Quarter.

Disorderly Conduct saw a decrease in activity with 1,235 total incidents recorded compared to 1,630 incidents recorded in the 2013 3rd Quarter. **Trespassing** incidents also decreased.

Illegal Vending totals decreased compared to 3rd Quarter 2013 records. 2014 3rd Quarter records = 577 incidents; 2013 3rd Quarter = 673 incidents. **Illegal sales of animals** decreased significantly.

Robbery / Vandalism decreased from 186 incidents recorded in 3rd Quarter 2013 compared with 120 incidents recorded during the current quarter.

US District Attorney Raid on Several LA Fashion District Businesses

On September 10, 2014 several Fashion District businesses were indicted for laundering Mexican drug money. More than a dozen locations were targeted in raids and only 4 local businesses were named in the indictments. BID ED Kent Smith was quoted in the Los Angeles Times on September 11, 2014 as follows:

"Kent Smith, executive director of the LA Fashion District, said there are 4,000 businesses in the area that generate billions of dollars a year in economic activity. It's unfair to paint the rest of the legitimate businesses...with what a small number of businesses may be doing in terms of illegal activity" Smith said.

Smith was also interviewed by the Associated Press and responded to many calls & emails when the news broke on Wednesday, September 10, 2014.

BID Granted Restitution for Graffiti Tagging in District

LA Fashion District BID Operations Director Randall Tampa attended a court hearing on August 28, 2014 to provide testimony in a case regarding restitution for graffiti removal costs. The Neighborhood Prosecutors won the case and the district will receive over \$400 from the convicted tagger. Tampa will attend court hearings in September to provide testimony on a pending case.

Neighborhood Prosecutors decided to seek restitution as a result of a July 15th BID Operations Committee meeting, in which the BID brought the costs of graffiti removal to their attention. The LA Fashion District BID paints out thousands of graffiti tags every year at significant cost.

Sidewalk Vending Community Meetings

The LA Fashion District BID and the Korean Apparel Manufacturing Association (KAMA) co-hosted a community meeting on June 3, 2014. Property owners, members and merchants from all areas of the 100-block district had an opportunity to talk about the recent Sidewalk Vending Enforcement by the Bureau of Street Services (BSS) Enforcement Division. Representatives from Council District 14 also attended.

BSS will continue its enforcement on Saturday mornings around the San Pedro Wholesale Mart to address the large number of sidewalk vendors that have congregated there. BSS staff reminded merchants that any obstruction or outdoor display is illegal and merchants could be cited. Another enforcement took place on June 28, 2014 in the area of San Pedro Wholesale Mart to prevent swap meet set up. No merchants were cited.

At the Operations Committee meeting on Tuesday, September 23, 2014, Members heard a 3 minute presentation from the organizers of the International Fashion Market based on courtesy and in order to comply with the Brown Act. They left after their presentation and Committee Members considered an action to approve or disapprove their request.

BACKGROUND:

The organizers are seeking to obtain a special event permit that will allow them to close 12th Street/Crocker/Towne every Saturday. Their intention is to re-establish the swap meet that we recently shut down with the help of LAPD Newton Division and Bureau of Street Services (BSS). The permit application is attached.

The organizers and vendors continue to set up and block alleys until BSS officers show up to conduct enforcement action. They leave behind products and trash to avoid citations.

The International Fashion Market organizers have met several times with Council District 14 staff and the Street Closure Advisory Committee – both have refused their request for a special permit. Yet they continue to set up without approval.

In April 2014 the Board of Directors of the LA Fashion District Business Improvement District (BID) opposed an application for a similar event proposed for the same location: Special Event Application #20140515 for Ducasse Alley Farmers Market. The contact address, fax number and email are the same in both applications.

BID staff have made it clear to Council District 14, LAPD Newton Division, and the Bureau of Street Services that our Board of Directors and property owners are adamantly opposed to any event that proposes to shut down streets or alleys or obstruct the public right of way in this area including 12th St., Crocker, and Towne Ave. on Saturdays or any other days.

Illegal Vendors Cited in San Pedro Blvd Area

On Saturday, August 23, 2014 at 5:00 am the Bureau of Street Services (BSS) conducted an enforcement and found 75 vendors setting up illegal stores in the alley that runs from Pico to 11th St and the alley that runs from Crocker St to San Pedro. BSS issued several citations. BID Safe Team officers assisted and picked up confiscated items including food and abandoned clothing racks.

On September 6, 2014 BID Safe Team officers arrived 5am to the location of the San Pedro Swap meet. They assisted BSS enforcement officers in picking up 4 racks, 1 table, 1 shopping cart and 103 pieces of woman's clothing that were abandoned. Enforcements will continue for an unspecified time period.

BIDs Focus on Operations and Partnerships

Business Improvement district operations teams met for the first time on August 7, 2014 to discuss best practices with the goal of sharing experiences and learning new strategies for delivering services. LA Fashion District BID Operations Director Randall Tampa arranged special meetings with LAPD officers and officials to discuss working with LAPD. Central Division Capt. Mike Oreb provided an overview of effective partnerships, and SLO Julie Nony detailed important points that can improve communications.

BID Teams were also introduced to the Coordinated Entry System that is an effort to house chronic homeless individuals. The system gives all homeless clients, across all agencies, a numerical rating of needs and services and moving the most needy up to the front of the line to get supportive housing.

New City & County Effort for Operation Healthy Streets in Skid Row

A new City and County collaboration around Operation Healthy Streets in Skid Row was introduced during a press conference at the City Hall South Lawn on August 5, 2014. Council Member Jose Huizar, District 14, has been working to coordinate City and County departments around the city's comprehensive cleanups that happen every other month in Skid Row. In an effort to go beyond street cleaning, the County will now be working alongside this effort to provide social, medical and mental health services to people who need and want it prior to the street cleanings that happen under Operation Healthy Streets.

Participating agencies and offices include Supervisor Mark Ridley Thomas' Office, LAPD, County Department of Mental Health, County Department of Health Services, County Department of Public Health, City Attorney's Office, LAHSA, Bureau of Sanitation.

Lost and Found

On Friday, June 6, Clean team employee Raymond Acklin was sweeping the sidewalk at 755 S. Wall St. While sweeping the sidewalk, Mr. Acklin found a female's white wallet on the curb. He immediately notified the Field Office dispatcher, and the wallet was taken to the office. BID Safety contacted the owner of the wallet who came to the office to retrieve her property. She was very pleased that our Clean Team employee found her wallet and wanted to reward Mr. Acklin with money, but she was told that we don't accept gratuities for performing our jobs.

BID Safety Team helps capture burglary suspect

A burglary suspect was observed entering the building at 777 E 10th Street by a private Security Officer on Friday, June 13, 2014. The suspect could be heard breaking locks in the building. The building Security Officer contacted the BID Safe Team who arrived at the location, immediately set up a perimeter around building and notified LAPD. LAPD arrived at the location and prepared to enter the building. As they walked over to the entrance the suspect walked out of the building and was arrested. LAPD then checked the building. During their check of the building they noticed 3 pad locks had been cut off but due to other interior doors the suspect was unable to gain entry into the businesses. LAPD Officers De La Torre and Flores then advised us the suspect would be transferred to LAPD Newton Division for booking.

Fire Caused by Electrical Short

On Monday, August 11, 2014, BID Safe Team Members responded to a fire in the upper floors of a commercial building at 1141 S. Santee St. The LA Fire Department (LAFD) says the fire was attributed to an electrical short due to overuse of electricity. LAFD discovered that building floors 2, 3 and 4 had sustained moderate damage.

Fire at 12th Street

The LA Fire Department put out a fire in a store located at the 300 block of 12th Street near Maple Ave. in the early hours of Tuesday, July 29, 2014. The BID Safe Team assisted. Cause of the fire is under investigation.

Sgt. Garcia Commended for Emergency CPR Action

On August 27, 2014 BID Safe Team PM Watch Commander Sgt. Garcia conducted CPR on an unresponsive individual as advised by the Los Angeles Fire Department (LAFD) while they were on route to the location at 1458 S San Pedro St. LAFD arrived on the scene to take over the situation and transport the individual for further treatment. Sgt. Garcia was commended for his efforts to resuscitate the individual. All BID Safe Team staff are trained in CPR and other emergency protocol as part of their overall training.

PUBLIC SPACE CLEAN PROGRAMS

The Fashion District BID clean programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Dump Fee Increase

Effective 8/1/2014 Innovative Waste (Vernon Dump) increased its dump fee rate by \$1.65/ton or 3%.

Fall Market Season Begins

Clean Teams conducted extra service details during September in preparation for 10 tradeshow events that will occur over the next two months. The LA Fashion District hosts thousands of wholesale buyers each year who attend tradeshows including LA Gift & Home Market and LA Market Week.

Tree Trimming 2015

We are receiving proposals from three companies in preparation for tree trimming services to start in January 2015. Our district has 747 trees of varying varieties and heights, and customized service is required for residential and business areas, and the city requires special permits that increase costs. Estimates received to date have gone up significantly compared to 2012 costs. BID staff is seeking to secure the best services at the most reasonable cost.

Graffiti Removal

2014 third quarter graffiti removal records show a decrease compared to 2013.

| <u>Graffiti Removal – 3rd Quarter</u> | 2014 | 2013 |
|--|-------------|-------------|
| July | 1210 | 1326 |
| August | 1043 | 1447 |
| September | 1094 | 1018 |
| Totals | 3347 | 3791 |

Sticker Removal

We've added records for this category due to the significant increase of activity that blights the neighborhood and the significant labor required to remove stickers from utility cabinets, signage, and other surfaces.

| <u>Sticker Removal – 3rd Quarter</u> | 2014 | 2013 |
|---|-------------|-------------|
| July | 1188 | 619 |
| August | 1106 | 535 |
| September | 1063 | 458 |
| Totals | 3347 | 1612 |

Trash Tonnage

Trash tonnage continues to increase. In the Fashion District, Trash Tonnage has always served as a leading economic indicator. For example, when Lehman Brothers filed for bankruptcy in 2008, trash tonnage in the district fell by 18%.

| <u>Trash Tonnage– 3rd Quarter</u> | 2014 | 2013 |
|--|-------------|-------------|
| July | 182 | 177 |
| August | 184 | 180 |
| September | 177 | 165 |
| Totals | 543 | 520 |

Bulky Item Pick up

This category was included to show the increase in illegal dumping. Items have included sofas, an in-ground Jacuzzi spa, and tons of construction materials costing the BID owners thousands of dollars in assessment funds to pick up and haul illegal dumping to the collection station. The lack of street lighting in the district makes it a target for nighttime illegal dumping.

| <u>Bulky Item Pick Up– 3rd Quarter</u> | 2014 | 2013 |
|---|-------------|---------------|
| July | 123 | not available |
| August | 273 | not available |
| September | 157 | not available |
| Totals | 553 | not available |

Sidewalk Cleaning

1,737,273 square feet of district sidewalks were cleaned during the third quarter using scrubbing and pressure washing equipment.

MANAGEMENT

2014 Annual Budget

\$606,720

17% of the Overall Budget

This portion of the annual Fashion District BID budget includes all Management and Communications service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, and the North and South Alley Overlays.

MANAGEMENT PROGRAMS

GOVERNANCE

Board Member Elections

Three current Board Members were appointed to oversee the 2014 Election of 5 new Board Members. Six property owners or property owner representatives submitted applications to become candidates. All met the qualifications set out in the Fashion District Bylaws. Ballots will be mailed in November to all property owners in the district and election results announced at the Board of Directors meeting on December 11th.

ADVOCACY/CITY ISSUES

Minimum Wage Increase Proposed

On Labor Day Mayor Eric Garcetti introduced a proposal to increase the citywide minimum wage. This will be carried through city council by Councilmembers Bonin, Price and Cedillo. The mayor hopes to have it through council by late this year / early next year with implementation late spring / early summer. It looks like this:

Year one – City goes from \$9 to approx. \$10.25 / hr

Year two – City goes to approx. \$11.75 / hr.

Year three – City goes to approx \$13.50 / hr (details of the wage are still being finalized)

After year three the wage is tied to the consumer price index

Downtown 2020 Focuses on LA Fashion District

Over 50 downtown leaders heard about what's new in the LA Fashion District at Central City Association's Downtown 2020 meeting on Wednesday, July 23rd. Board Members and property owners Steve Hirsh, Hilda Jimenez, and Mark Chatoff attended. Several presentations focused on our unique district, the need for changing the current zoning regulations, and future projects that are transforming the neighborhood. Kent Smith gave an overview of the Fashion District and pointed out the possibilities for its future when zoning and land use changes now under study are fully implemented.

First Lady Recognizes LA's Efforts to House the Homeless

First Lady of the United States Michelle Obama recognized the Home for Good Business Leader's Task force for LA's efforts to house the homeless during a recent summit on Veterans held at the Century Plaza Hotel. Kent Smith and the LA Fashion District have been a member of the Task Force leading this effort since its inception.

"Here in L.A., the United Way and Los Angeles Area Chamber of Commerce have brought public and private partners together for an incredible program called Home for Good — and together, you have housed more than 9,000 veterans since 2011," said the First Lady.

Laura's Law

LA County supervisors voted to fully implement Laura's Law, a state statute that gives counties the option to pursue court-ordered outpatient treatment for people with serious mental illness. Home for Good Task Force Members have been strong proponents of using this tool to address mental illness in Skid Row.

City Council Launches Sidewalk Study

Los Angeles City Council members say they are determined to find ways to fix the city's broken sidewalks, starting with a slate of reports on how to fund a cost-sharing repair program.

The council voted unanimously Tuesday, with three abstentions, to have city departments conduct the studies, with the expectation that the reports will be presented to the council within weeks.

While the council didn't approve any funding for the program, it did create a fund where future money dedicated to sidewalk repair can be placed. It instructs city departments to investigate using new, more sustainable materials for sidewalks and create a repair map driven by complaints and prioritized on locations that pose the greatest challenges to limited-mobility pedestrians.

ECONOMIC DEVELOPMENT

Work to Begin on City Market South

The Los Angeles Business Journal's front page story on June 2-8, 2014 featured plans for Phase I development of the 10-acre City Market of Los Angeles property located at 9th and San Pedro.

A Fashion Innovation District in DTLA

We attended the Los Angeles Business Council (LABC) Institute meeting on July 8 to discuss the potential for creating a fashion innovation district in downtown Los Angeles. "Innovation districts" are where thriving industry clusters meet walkable urbanism that integrates work, live and play in one neighborhood. Over the past 10 years innovation districts have sprung up in metropolitan areas throughout the country and encourage entrepreneurial businesses to grow and expand.

50 Ways to Shop DTLA

Boutique shop Brigade LA owner Kuo Yan and Cinnia Finfer just published their second map of downtown addresses where designer and contemporary looks are sold in downtown Los Angeles. The map not only shows the best known shops which have received accolades from national glossy fashion magazines, such as Oak in the Fashion District it also marks the addresses of designer ateliers such as martinMartin, and Daniel Patrick also in the Fashion District.

Streetcar Cost Estimate Reduced

In a recent draft report, analysts reduced the streetcar price to \$270 million which is \$55 million less than officials had previously estimated. A final cost estimate will be available in two to three weeks according to the city's Transportation Department.

Broadway Dress Rehearsal Ribbon Cutting Ceremony

On Thursday, August 28, Council member Jose Huizar (District 14) celebrated the official launch of the Bringing Back Broadway Streetscape Project Dress Rehearsal Phase 1 with a ribbon cutting ceremony at Grand Central Market. The first sets of tables and chairs have been set out on Broadway, including some in the Fashion District at 9th and Broadway and 9th and Olympic Boulevard. The Bringing Back Broadway Streetscape Project to make Broadway a more pedestrian friendly street. The Dress Rehearsal Phase takes over one lane of traffic and converts it to a seating area for pedestrians.

Pop-Up Broadway – September 28 & 29, 2014

On Sunday, September 28 and Monday, September 29, the stretch of Broadway from Olympic to 7th Street was activated by Community Arts Resources (CARS) with street performers, cultural programming, site-specific installations and other ephemeral urban interventions. The intent of this urban overlay, dubbed **Pop-Up Broadway**, was to demonstrate the power behind Great Streets to transform the everyday experience of Angelenos.

Utility Box Art Project in the Fashion District

Council District 14 is sponsoring a Utility Box Art Project throughout downtown and the LA Fashion District is included. The Council Office is inviting local artists to paint traffic signal cabinets (or "utility boxes"). Colorful utility boxes have already been sighted at the n/w corner of Main and Olympic and 9th and Los Angeles.

Ace Hotel Receives LA Conservancy Award

BID Board Member Jason Deibler accepted an LA Conservancy Award for the Ace Hotel Downtown Los Angeles and The Theatre at Ace Hotel at the 33rd Annual Preservation Awards on July 31, 2014. The LA Conservancy recognizes outstanding achievement in the field of historic preservation. The awards are selected by an independent jury of leading experts in architecture, historic preservation, and community development. BID Board Member Steve Hirsh and Executive Director Kent Smith attended the event.

Welcome Poppy + Rose

A new restaurant has opened in the Flower District at 765 Wall St. ZAGAT restaurant guide says visit this casual cafe for down-home eats with a nostalgic twist. Poppy + Rose serves breakfast starting at 6:00 am, lunch and brunch at reasonable prices. The warm, country-chic setting boasts communal tables and a convivial vibe. (We tried it for lunch and the grilled cheese sandwich is awesome! Also heard the breakfast biscuits and gravy are worth the calories...)

1810 Eighteen Ten Argentinean Restaurant Opens in DTLA

Located in the LA Fashion District this restaurant at 105 W 9th St. opened on July 5th and is the sister to the Pasadena restaurant of the same name. Specializing in Argentinean cuisine they are open for lunch, happy hour and dinner.

The WALL Farmer's Market Open for Business Every Saturday 10am to 3pm

On July 26, 2014 Council Member Jose Huizar and property owners Jim Mellano and Scott Yamabe cut the grand opening ribbon at the new Farmers Market located in the Flower District on Wall St and 8th Street. Every Saturday the certified Farmer's Market will fill the street with abundant fresh, seasonal produce, flowers, and artisan specialties.

EVENTS/TRADESHOWS

LA Fashion Market Fall/Holiday 14, June 8-12

The LA Fashion Market took place June 8-12 at all the major showroom buildings in the LA Fashion District. The BID updates the website Lines Directory prior to this and all Market Week shows.

Holiday/Resort 2014 Fashion Market/Lines Update

Collections were available to wholesale buyers at the Los Angeles Fashion Market, Monday – Thursday, August 4 – 7, 2014 in apparel showroom buildings at 9th & Los Angeles Streets. The LA Fashion District BID updates lines directories before every show.

LA Gift & Home Market at the CMC

Fall 2014 Market started September 28 for wholesale buyers seeking Gifts, Home Decor, Garden & Floral, Accessories, Novelty, Tabletop, Stationery & more from a stellar array of renowned brands.

COMMUNICATIONS

New Website Feature

The Wholesale Lines Directory can now be searched by line category. This feature improves information access for wholesale buyers.

The line categories :

- Women's
- Men's
- Kid's
- Shoes
- Accessories & Handbags
- Home & Gift

BIDLINES Newsletter

The 2014 3rd Quarter Summer-Fall newsletter was mailed to all owners in the district in September 2014. See Attachments.

PUBLICITY

Twitter Campaign Gains New Followers

Between August 25 and August 29 we ran a campaign on Twitter to increase our number of followers. The BID spent \$200 over the course of the week and our page garnered almost 400 new followers. On average the LA Fashion District Twitter gains 150 or so followers per month, so it was a significant increase. Our campaign was in the top 30% of all campaigns targeting the same audience.

District Tour for LA Times Reporter

On August 12, we met with the LA Times to discuss a possible feature on the district. I gave the reporter a tour and introduced her to the various areas of the district, as well as some specific businesses.

2014 THIRD QUARTER WEBSITE ANALYTICS

With the redesign of the website we have switched from a built-in web analytics system to Google Analytics. As a result our analytics metrics will be changing from website hits to pageviews. This change will allow us to have a more in-depth look at user behavior and better understanding of our site functionality. However, month/month and year/year comparisons cannot be recorded until June 2015.

| | |
|-------------------------|----------------|
| Website Sessions | 2014 |
| July | 54,040 |
| August | 54,980 |
| September | 50,113 |
| Total | 159,133 |

| | |
|----------------------|----------------|
| Website Users | 2014 |
| July | 42,187 |
| August | 42,738 |
| September | 39,115 |
| Total | 124,080 |

| | |
|---------------------------|----------------|
| Website Page Views | 2014 |
| July | 195,230 |
| August | 197,477 |
| September | 181,754 |
| Total | 574,461 |

| | |
|-----------------------------|-------------|
| Website New Visitors | 2014 |
| July | 75.20% |
| August | 74.14% |
| September | 74.17% |

2014 THIRD QUARTER SOCIAL MEDIA STATS

The blog is now tied to the new website and also Google Analytics. This change will allow us to have a more in-depth look at user behavior.

| | | |
|-------------------------------|-------------|-------------|
| Facebook | 2014 | 2013 |
| <u>New followers</u> | | |
| July | 953 | 926 |
| August | 282 | 854 |
| September | 245 | 726 |
| <u>Total followers</u> | | |
| July | 34,124 | 26,816 |
| August | 34,406 | 27,750 |
| September | 34,651 | 28,476 |

TwitterNew followers

| | | |
|-----------|-----|-----|
| July | 164 | 102 |
| August | 431 | 152 |
| September | 118 | 166 |

Total followers

| | | |
|-----------|-------|-------|
| July | 5,945 | 4,197 |
| August | 6376 | 4,349 |
| September | 6,494 | 4,515 |

BlogPage Views

| | | |
|-----------|-------|-----|
| July | 8,189 | n/a |
| August | 9,250 | n/a |
| September | 8,827 | n/a |

InstagramNew followers

| | | |
|-----------|-----|-----|
| July | 340 | 205 |
| August | 302 | 205 |
| September | 232 | 130 |

Total followers

| | | |
|-----------|-------|-------|
| July | 4,857 | 2,424 |
| August | 5,159 | 2,629 |
| September | 5,391 | 2,759 |

Photos posted during

| | | |
|-----------|----|----|
| July | 11 | 19 |
| August | 20 | 20 |
| September | 31 | 18 |

PinterestNew Followers

| | | |
|-----------|-----|-----|
| July | 115 | 83 |
| August | 69 | 228 |
| September | 139 | 80 |

Total Followers

| | | |
|-----------|-------|-------|
| July | 2,500 | 878 |
| August | 2,569 | 1,106 |
| September | 2,747 | 1,186 |

BID LINES

LA Fashion District Business Improvement District (BID) Newsletter

BID Safe Team

2014 2nd Quarter Report

- Initiated 38,237 contacts with the public to address various issues
- Conducted 11,706 location checks for crime
- Assisted 3,060 shoppers to find store locations and lost cars

BID Clean Team

2014 2nd Quarter Report

- Removed 3,707 graffiti tags from buildings, doors and other surfaces
- Collected 42,350 bags of trash from cans, alleys, and illegal dumping
- Cleaned 6.2 million sq. ft. of sidewalk by pressure washing/scrubbing

24-Hour Response

The LA Fashion District BID Safe & Clean Team can be reached 24 hours at 213-741-2661.



Fashion District BID Receives Graffiti Restitution

LA Fashion District BID Operations Director Randall Tampa attended a court hearing on August 28, 2014 to provide testimony in a case regarding restitution for graffiti removal costs. The Neighborhood Prosecutors won the case and the district will receive over \$400 from the convicted tagger. Tampa will attend court hearings in September to provide testimony on a pending case.

Neighborhood Prosecutors decided to seek restitution as a result of a July 15th BID Operations Committee meeting in which the BID brought costs of graffiti removal to their attention. The LA Fashion District paints out thousands of graffiti tags every year at a significant cost.

Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 2,127 tons of trash a year



Work to Begin on Phase 1 of LA City Market Project

Developers of the City Market project announced construction will start on the initial phase of the two-decade long project. Revitalization of existing buildings on San Pedro and San Julian between 11th and 12th Streets started in June, and will result in the creation of a 75,000-square-foot project that will house restaurants, shops, and creative office space. It is slated to open in summer 2015.

The WALL Farmer's Market Open in the LA Flower District Every Saturday, 9a-2p

Council Member Jose Huizar and property owners Jim Mellano and Scott Yamabe cut the grand opening ribbon at the new farmer's market located in the Flower District on Wall and 8th Streets. Every Saturday, the certified farmer's market will fill the street with fresh, seasonal produce, flowers and artisan specialties.

Multiple Historic Buildings Being Converted to Residential and Mixed-Use

Three Projects on Los Angeles Street

The Garment Capitol Building and Maxfield Building, both located on Los Angeles Street between 7th and 8th Streets will be converted to apartments by Los Angeles-based Capital Foresight Development. Developers are also proposing 72 live/work lofts and ground floor retail/restaurant space for the historic Grether & Grether building also on Los Angeles Street.

Two Projects on Broadway

The two-building Palmer Project on Broadway directly across from the Ace Hotel will add over 600 residential units to the district. Adjacent to the Ace, at 939 S. Broadway, is the future site of a 150-unit residential property being developed by Barry Shy.



Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 2,127 tons of trash a year



Updated Lines and Business Directory

We recently updated our online Business Directory and Lines Directory. The online searchable business directory was updated over the summer to include all businesses in the LA Fashion District. During the 2nd Quarter, we updated the Lines Directory search functions to allow users to search designer showrooms and brands by product category. If you would like to add your business to either directory please contact info@fashiondistrict.org.

Promote Your Business on the Fashion District Website for FREE!

Did you know the Fashion District website receives over 40,000 visitors per month? Your business could be featured on our website for free! The Fashion District website's blog is dedicated to local businesses, events, and district information. If you're business is located in the district and you would like to have it featured on the blog, please contact our Social Media and Public Relations Manager, Ariana Gomez at ariana@fashiondistrict.org



Marketing & Communications

2014 2nd Quarter Report

- 94,351 website visitors
- 1,341 new Facebook fans
- 390 new Twitter followers
- 899 new Instagram followers
- 418 new Pinterest followers
- 19,116 blog page views

With the relaunch of the LA Fashion District website the BID will be changing the way it reports some of the marketing/communications statistics. Moving forward, we will be tracking website pageviews, which will include blog page views (reported above), as the blog has been incorporated into the new site.

Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 2,127 tons of trash a year

2014 LA Fashion District BID Board Elections

On January 1, 2015 five seats on the LA Fashion District BID Board of Directors will be available in the upcoming 2014 Election. Invitations and instructions for becoming a candidate were mailed on August 6 to all property owners in the LA Fashion District. Ballots will be mailed to all property owners on November 1, 2014.

The BID Board oversees Clean & Safe Services - Communications - Advocacy Programs and establishes the budget to ensure that every dollar of the BID budget is well spent.



BID Lines LA Fashion District Business Improvement District Newsletter Summer 2014
110 E 5th Street, Suite A1175, Los Angeles CA 90079 P 213.488.1153 F 213.488.1159
www.fashiondistrict.org

Return Service Requested

Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 21-27 tons of trash a year



LA Fashion District Business Improvement District

2014 Activity Reports

Fourth Quarter

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- Special Projects Programs

III Attachments

**Neighborhood and Business Improvement Districts
Quarterly Statistics for Mayor's Comstat Report**

| CATEGORY | 1st QUARTER | 2nd QUARTER | 3rd QUARTER | 4th QUARTER | Cumulative TOTALS |
|--------------------------|---|---------------|---------------|---------------|-------------------|
| Public Safety Contacts * | 40,853 | 38,237 | 36,450 | 38,031 | 153,571 |
| Bags of Trash Removed | 41,024 | 42,350 | 40,712 | 57,580 | 181,666 |
| Bulky Items Removed | 344 | 284 | 553 | 308 | 1,489 |
| Graffiti Removed | 3,617 | 3,706 | 3,347 | 3,521 | 14,191 |
| Weeded Areas | 15 | 9 | 14 | 22 | 60 |
| Citizen Contacts | 3,780 | 3,060 | 2,316 | 3,029 | 12,185 |
| Merchant Contacts | 5,010 | 4,645 | 3,515 | 4,361 | 17,531 |
| Spaces for Lease ** | Not available | Not available | Not available | Not available | Not available |
| Spaces leased ** | Not available | Not available | Not available | Not available | Not available |
| New Business ** | Not available | Not available | Not available | Not available | Not available |
| Landscaped Medians | The BID maintains two landscaped medians in the district. | | | | |

* Public Safety Incidents category was changed to Public Safety Contacts to provide the total number of contacts the BID Safe Team conducts during a quarter in the 100-block district.

**Number of bags used to collect weeds.

*** The LA Fashion District is home to over 4000 street level stores. Due to the extensive store inventory we do not track spaces for lease, leased, or new businesses.

2014 OPERATING BUDGET SUMMARY

The total improvement plan budget for the 2014 Fashion District BID is \$3,570,800.

FINANCE

2015 Budget Approval

At their meeting on November 18, 2014 the BID Board of Directors approved the 2015 Budget as recommended by the Finance Committee.

2015 Planning Report

At their meeting on November 20, 2014 the BID Board of Directors unanimously approved the 2015 Planning Report for submission to the City of Los Angeles.

Summary of Un-Audited Financial Information

See attachments.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2014 Annual Budget

\$2,759,180

77% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Fourth Quarter Contact Summary

BID Safe Team officers conducted 3,029 **Citizen Assist** events during the 2014 4th Quarter.

Disorderly Conduct saw an increase in activity with 1,750 total incidents recorded compared to 1,419 incidents recorded in the 2013 4th Quarter.

Illegal Vending totals decreased compared to 4th Quarter 2013 records. 2014 4th Quarter records = 509 incidents; 2013 4th Quarter = 989 incidents. **Illegal sales of animals** decreased significantly.

Robbery / Vandalism decreased slightly from 116 incidents recorded in 4th Quarter 2013 compared with 111 incidents recorded during the current quarter.

Arsonist Detained/Arrested by BID Safe Team Officer

During November in the early morning hours several trash cans were set ablaze in various locations of the Fashion District. While igniting his third fire, the suspect was stopped, detained and arrested by Fashion District Safety Corporal Jovanny Marin. Yesterday, December 2nd, Corporal Marin attended court on the suspect who had been charged with Arson. During his preliminary hearing, the arsonist was offered five years in state prison as part of a plea deal. Possibly responsible for other suspiciously started fires, it is apparent that this arsonist will be serving a long stint in prison. Congratulations Corporal Marin for a job well done.

Fire at 14th and Santee

An arson investigation is underway after an early-morning fire burned through a tailor shop in the downtown fashion district Saturday, authorities said. The story was released in the LA Times on November 29, 2014. As firefighters worked to stop the blaze, a civilian vehicle ran over a supply hose line, causing it to rupture, the fire department said.

It took 80 firefighters 50 minutes to extinguish the fire, officials said. Though most of the fire was contained to one unit in the row of commercial buildings, some adjacent buildings sustained "limited smoke and water damage," said Katherine Main, a spokeswoman for the department. There were no injuries, she said. Arson investigators who used specially trained dogs and took samples in the damaged building determined the cause of the fire to be "suspicious," Main said. The case remains under investigation, she said.

Firefighters responded to K1 Fashion at 1409 Santee Street at 2:35 a.m. to find the single-story building engulfed in flames, according to the Los Angeles Fire Department. The fire had begun to burn through the roof, officials said, and firefighters forced their way into the building using rotary saws.

Holiday Party

The LA Fashion District BID Cleaning & Safety Teams relaxed from their duties for an hour on 12/9/14 to enjoy a holiday lunch. Managers from Chrysalis and Universal Protection Services joined in along with LAPD SLO Jamilah Jones-Linton who all complemented team members on their work during 2014.

Man Arrested for Selling Counterfeit Goods

An undercover operation led by state investigators led to the arrest of a Los Angeles man and the confiscation of \$300,000 worth of counterfeit Gucci, Dior, and Prada sunglasses, among other high-end brands, officials said Monday. The seizures were made in or around Santee Alley. Investigative Consultants, a private investigation company, led the investigation. The story was published in the Los Angeles Business Journal on 12/8/2014.

VONS – LAPD – LA Fashion District and TONS of Candy!

The LA Fashion District in partnership with VONS and the LAPD Central Boosters picked up four pallets of candy – approximately 2 tons – this past Tuesday. As has been done for the past eight years, BID Operations Director Randall Tampa provided all of the candy to Central, Newton, Hollywood and 77th Street LAPD Divisions for their prospective kids holiday parties.

On December 3rd, LAPD Central Division and several of the Downtown BIDs hosted 250 children from Para Los Niño's for their annual kids party. VONS grocery stores donated and the Fashion District picked up 425 Kraft Lunchables, a pallet of water and several dozen cases of fresh fruit. Since Randall Tampa has developed this relationship with Peter Bartholomew and Alan Todd (from Vons), over 80 pallets of candy (40 tons) have been donated along with 7000 Lunchables.

PUBLIC SPACE CLEAN PROGRAMS

The Fashion District BID clean programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Rains Caused Some Flooding in District

On Tuesday, December 2nd, BID Field Supervisor Elmer Pacheco called the City's emergency sewer department to report flooding at the intersection of Los Angeles St and 7th St. The crew arrived at 4pm to unclog the drain. The BID sandbagged the street in the area to help prevent flooding in the buildings. Downtown rainfall totals broke all records by Wednesday.

Tree Trimming 2015

We are receiving proposals from three companies in preparation for tree trimming services to start in January 2015. Our district has 747 trees of varying varieties and heights, and customized service is required for residential and business areas, and the city requires special permits that increase costs. Estimates received to date have gone up significantly compared to 2012 costs. BID staff contracted Trimming Land Company to secure the best services at the most reasonable cost. Work will begin on January 5, 2015.

Graffiti Removal

2014 fourth quarter graffiti removal records show an increase compared to 2013.

| <u>Graffiti Removal – 4th Quarter</u> | 2014 | 2013 |
|---------------------------------------|-------------|-------------|
| October | 1129 | 1202 |
| November | 1128 | 876 |
| December | 1164 | 1204 |
| Totals | 3,521 | 3,282 |

Sticker Removal

We've added records for this category due to the significant increase of activity that blights the neighborhood and the significant labor required to remove stickers from utility cabinets, signage, and other surfaces.

| | | |
|---|-------------|---------------------|
| <u>Sticker Removal – 4th Quarter</u> | 2014 | 2013 |
| October | 1141 | Not Available (n/a) |
| November | 1002 | n/a |
| December | 1379 | n/a |
| Totals | 3522 | n/a |

Trash Tonnage

Trash tonnage continues to increase. In the Fashion District, Trash Tonnage has always served as a leading economic indicator. For example, when Lehman Brothers filed for bankruptcy in 2008, trash tonnage in the district fell by 18%.

| | | |
|----------------------------------|-------------|-------------|
| <u>Trash Tonnage– 4thQuarter</u> | 2014 | 2013 |
| October | 184 | 173 |
| November | 185 | 182 |
| December | 208 | 196 |
| Totals | 577 | 551 |

Bulky Item Pick up

This category was included to show the increase in illegal dumping. Items have included sofas, an in-ground Jacuzzi spa, and tons of construction materials costing the BID owners thousands of dollars in assessment funds to pick up and haul illegal dumping to the collection station. The lack of street lighting in the district makes it a target for nighttime illegal dumping.

| | | |
|--|-------------|---------------------|
| <u>Bulky Item Pick Up– 4th Quarter</u> | 2014 | 2013 |
| October | 135 | Not Available (n/a) |
| November | 173 | n/a |
| December | 0 | n/a |
| Totals | 308 | n/a |

Sidewalk Cleaning

4,591,232 square feet of district sidewalks were cleaned during the fourth quarter using scrubbing and pressure washing equipment.

MANAGEMENT

2014 Annual Budget**\$606,720****17% of the Overall Budget**

This portion of the annual Fashion District BID budget includes all Management and Communications service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, and the North and South Alley Overlays.

MANAGEMENT PROGRAMS**GOVERNANCE****2014 Board Election Results**

The LA Fashion District BID is one of the few BIDs in the nation that conducts an annual property owner ballot vote to elect Members to the Board of Directors.

The 2014 Board of Directors Election results were announced on December 11, 2014. Six candidates ran for five seats. The elected candidates are:

Linda Markoff Becker
Mark Cohen
Steve Hirsh
Darlene Kuba
Debbie Welsch

Terms begin on January 1, 2015.

ADVOCACY/CITY ISSUES**Proposal for Legalizing Sidewalk Vending Discussion Continues**

The City's Economic Development Committee convened on December 2nd to hear public comment on the proposal to legalize sidewalk vending. Over 200 people attended to voice their opinion for or against the proposal. LA Fashion District owners and stake holders Mark Chatoff, Hilda Jimenez, Norma Abdu and Eduardo Campo joined BID Executive Director Kent Smith at the podium to oppose legalizing sidewalk vending. The Committee agreed to reconvene for further discussion.

Smith has been interviewed by several media sources including NPR and Bloomberg News. See the attached Bloomberg and LA Times stories.

Bike Kiosk Locations Recommended for LA Fashion District

Kent Smith, BID executive director, met with LADOT to discuss proposed Bike Kiosk locations Downtown LA. Six additional kiosks were recommended for various high traffic sites in the LA Fashion District.

CCA hosted the meeting to facilitate BID engagement on the bike sharing kiosk site identification process. The City is looking to finalize an initial list of bike sharing kiosk locations within the coming weeks, for use in the bike sharing RFP that is scheduled to go before the Metro Board in December. Kiosks will not be installed until 2016.

Sustainable Economic Development in the LA Fashion District

A class project for planning students at the University of Southern California that began earlier this year was concluded on December 4th with panel review by city officials and BID Executive Director Kent Smith. The four presentations focused on the need for land use and zoning changes in the district that would promote sustainable economic development. The findings will be presented for discussion at a BID Board of Directors meeting next year.

International Visitor Leadership Program

We met a delegation from Thailand that are visiting Los Angeles to learn more about the Los Angeles Apparel Industry, Trade, Development and Design. Their interest in the LA Fashion District BID focused on administration and BID start ups. These visitors are invited to the United States under the auspices of the Department of State's International Visitor Leadership Program. Their program is arranged by the U.S. Department of State.

Mobility Plan 2035

We attended a meeting where LADOT representatives discussed the recent release of the City's Mobility Plan 2035. An important take away from the meeting will be good news for property owners in the BID.

Road dedication requirements are being dropped which is a positive plan modification for owners who intend to develop their property. Previously the City required that owners set aside a portion of land facing the street for the purpose of future street widening.

Mobility Plan 2035 (Plan) provides the policy foundation for achieving a transportation system that balances the needs of all road users. As an update to the City's General Plan Transportation Element (last adopted in 1999), Mobility Plan 2035 incorporates "Complete Streets" principles and lays the policy foundation for how future generations of Angelenos interact with their streets. The complete plan is available at www.LA2B.org and City Council is expected to consider approval in Spring 2015.

DLANC and the Downtown Vision Plan

Downtown Los Angeles Neighborhood Council (DLANC) has become the first neighborhood council to have sought and secured the resources to map its own future. Part manifesto, part vision plan, Vision Downtown embodies and broadcasts the aspirations and expectations that the Downtown community has for its neighborhood. It assembles in one place a comprehensive set of aspirations that embody the vision of this generation of the Downtown community.

DLANC with the assistance of AECOM, the tech/engineering firm that also worked on the Fashion District strategic plan, developed Vision Downtown based on extensive community outreach. There are a number of references in the plan that focus on the LA Fashion District. Read the plan at www.dlanc.org

ECONOMIC DEVELOPMENT

Case Hotel Development Update

The LA Fashion District BID testified in favor of the Case Hotel development proposed for 1100 S Broadway at the Zoning Administration (ZA) public hearing on December 2nd. The BID and hotel will share an alley boundary. The Case Hotel proposes to renovate the former YWCA building into street level retail, restaurants, entertainment venues and hotel rooms. The ZA asked for more information before delivering a determination.

Holiday Filming Restrictions - City of Los Angeles

The City of Los Angeles has implemented City-wide holiday filming restrictions to minimize the impact of on-location production to businesses and merchants that rely on holiday sales. The restrictions will remain in effect from November 24, 2014 through January 2, 2015.

EVENTS/TRADESHOWS

LA Fashion Market Fall/Holiday 14, June 8-12

The LA Fashion Market took place June 8-12 at all the major showroom buildings in the LA Fashion District. The BID updates the website Lines Directory prior to this and all Market Week shows.

Athleisure Tradeshow to Launch at California Market Center

The CMC announced a new Athleisure Lifestyle tradeshow, SHAPE, launching during Fall 15 LA Fashion Market. SHAPE Tradeshow will take place Monday-Wednesday, March 16-18, 2015, at the California Market Center (CMC) during LA Fashion Market. The press release is attached.

New Sourcing Trade Show Comes to L.A. in March 2015

Apparel manufacturers and retailers looking to scout factories will have a new venue at the **Factory Direct** trade show on March 2-4 at **The New Mart**. Organized by trade show and apparel industry veteran David Dea, the show will feature domestic and international factories, factors, creative agencies, third-party logistics providers, and technology resources.

COMMUNICATIONS

BIDLINES Newsletter

The 2014 4th Quarter Fall-Winter newsletter was mailed to all owners in the district in December 2014. See Attachments.

SOCIAL MEDIA/PUBLICITY/SPECIAL EVENTS

\$1000 Shopping Spree

The BID hosted an Ugly Holiday Sweater Contest on Instagram. The winner will receive a \$1,000 shopping spree and three additional winners will be chosen at random to win a \$500, \$300, and \$100 shopping spree. The contest closed on Sunday, December 21st.

Santee Alley Open Late for the Holidays

Holiday shoppers visited the Santee Alley during extended hours from 10 am to 8pm December 11-28. Shoppers received free reusable shopping bags on Friday, December 19 between 3:30 – 8pm.

53 Reasons to Shop DTLA

Brigade LA, just released the 3rd edition of a DTLA shopping map that focuses on Contemporary Apparel and Accessories stores. Several stores are located in the LA Fashion District including Althouse, martinMartin , and Tanner Goods.

HGTV in the Textile District

HGTV host/interior design celeb Emily Henderson featured the Fabric District on her blog. Henderson's blog attracts thousands of readers daily.

2014 FOURTH QUARTER WEBSITE ANALYTICS

With the redesign of the website we have switched from a built-in web analytics system to Google Analytics. As a result our analytics metrics will be changing from website hits to pageviews. This change will allow us to have a more in-depth look at user behavior and better understanding of our site functionality. However, month/month and year/year comparisons cannot be recorded until June 2015.

| | |
|--------------------------|----------------|
| Website Pageviews | 2014 |
| October | 189,036 |
| November | 177,088 |
| December | 156,231 |
| Total | 522,355 |

| | |
|----------------------|----------------|
| Website Users | 2014 |
| October | 40,686 |
| November | 38,958 |
| December | 36,231 |
| Total | 115,875 |

2014 FOURTH QUARTER SOCIAL MEDIA STATS

The blog is now tied to the new website and also Google Analytics. This change will allow us to have a more in-depth look at user behavior.

| | | |
|----------------------|-------------|------------------------|
| Facebook | 2014 | |
| <u>New followers</u> | | |
| October | 262 | |
| November | 642 | |
| December | 530 | |
| Total | 1434 | Total Followers |

| | | |
|----------------------|------------|------------------------|
| Twitter | | |
| <u>New followers</u> | | |
| October | 132 | |
| November | 158 | |
| December | 142 | |
| Total | 432 | Total Followers |

| | | |
|-------------------|---------------|------------------------|
| Blog | | |
| <u>Page Views</u> | | |
| October | 11,328 | |
| November | 12,895 | |
| December | 10,415 | |
| Total | 34,638 | Total Followers |

| | | |
|----------------------|------------|------------------------|
| Instagram | | |
| <u>New followers</u> | | |
| October | 297 | |
| November | 332 | |
| December | 342 | |
| Total | 971 | Total Followers |

Pinterest

New Followers

| | |
|--------------|------------|
| October | 110 |
| November | 206 |
| December | 131 |
| Total | 447 |

Total Followers

ATTACHMENTS

Bloomberg

L.A. Advances Rules for Street Vendors Selling Outside Law

By James Nash - Dec 2, 2014

Roughly 50,000 vendors roam the streets of Los Angeles piloting pushcarts of bacon-wrapped hot dogs, spiced fruit, flowers, T-shirts and trinkets, or so city officials estimate. No one really knows how many there are, because they're all technically illegal.

Los Angeles is the only one of the 10 largest U.S. cities that doesn't permit street vendors, outlawed since the mid-20th century as car culture choked once-pedestrian-friendly shopping districts.

Under a [measure](#) approved today by the City Council's economic development committee, street vending would be permitted again in the second-most-populous American city. The move recognizes the reality that thousands of people, many immigrants, are selling food, clothing and even pet rabbits everywhere from neighborhood sidewalks to touristy Hollywood Boulevard.

"The police are always bothering us," Caridad Vasquez, 54, from the Mexican state of Colima, said in Spanish as she sold quesadillas near the Miracle Mile section of Wilshire Boulevard. "They never give us a ticket. They just say we cannot sell here so we have to move."

Regulations proposed by City Council members Jose Huizar and Curren Price, who represent parts of downtown Los Angeles and low-income neighborhoods to the east and south, would allow Vasquez and others to sell legally.

NYC Rules

The move would bring Los Angeles more in line with cities like New York, where the Consumer Affairs Department licenses general merchandise vending and the Public Health Department regulates food carts.

The council's economic development committee voted to move forward with developing regulations after hearing from sidewalk merchants wearing "Legalize Street Vending" T-shirts and from owners of established businesses urging them not to lock in a competitive advantage for entrepreneurs who pay no rent, payroll or worker's compensation.

Enforcement Questioned

"This city does not have the capacity to enforce much of anything," Hal Bastian, a consultant to downtown developers, told the committee. "We can't deal with narcotics in the public realm. What makes us think we can control street vending?"

Vendors are asking for a way to operate legally, to avoid crackdowns from police and extortion from criminals, Huizar said before the hearing.

"Vendors who want to play by the rules have no options available to them," Huizar said at a City Hall rally with about 50 vendors.

Council members asked aides to look into the costs of enforcement, potential fines and whether the same rules should apply to food and non-food merchants.

'They're Surprised'

"These are good people who are trying to take care of their families," Rudy Espinoza, executive director of Leadership for Urban Renewal Network, which advocates for L.A.'s vendors. "This is part of Los Angeles. When I tell people it's against the law, they're surprised."

About 10,000 of the 50,000 vendors in Los Angeles sell food. The rest hawk products from T-shirts to turtles, according to a city report. In the year ended June 30, the Bureau of Street Services gave out 271 tickets for illegal vending; since July 1, 286 citations were issued for the misdemeanor violation, the report said.

Los Angeles has experimented with legalizing the street vendors before. In 1996, the city established a sidewalk vending district near MacArthur Park, a Latino immigrant hub west of downtown. The effort failed because regulators didn't crack down on illegal rival vendors outside of the district, according to the city report.

Merchant Opposition

Some brick-and-mortar businesses want to keep the vendors illegal. Kent Smith, who represents about 4,000 businesses in downtown's Fashion District as head of its business-improvement group, said the carts clog sidewalks and force shoppers into the streets with traffic.

"Why are we making it easier for a plethora of vendors to set up shop in already congested neighborhoods?" said Smith, who said the most heavily traveled blocks of the Fashion District attract as many as seven street vendors at once.

"We are overwhelmed by the number of mobile food vendors in our district, particularly on Saturdays. You have a recipe for non-use of our sidewalks by pedestrians."

LA TIMES

L.A. officials take a step toward legalizing street vending

December 2, 2014

A committee of Los Angeles lawmakers took a step Tuesday toward legalizing street vending, vetting a basic framework for how sellers who ply their trade on sidewalks or in parks could get city permits.

But the plan is far from a done deal, as fierce debate swirls around whether to legitimize an underground economy that has long been an open secret on Los Angeles sidewalks. Backers see legalization as an economic boon to the city and a lifeline to honest entrepreneurs, while critics worry about trash, congestion and a squeeze on bricks-and-mortar businesses.

The city is peppered with pushcarts shilling popsicles or bacon-wrapped hot dogs, booths arrayed with clothing, pins and knickknacks, and many other sidewalk enterprises — a trade that generates more than \$500 million in annual sales, according to estimates from the nonprofit Economic Roundtable. Legalization could affect an estimated 50,000 vendors in the city.

"The current system is broken," said Councilman Jose Huizar, one of the lawmakers who have pushed to legalize and regulate street vending. "It doesn't work for anyone. Vendors who want to become legitimate and play by the rules have no options.... The public has absolutely no guarantee about food safety because it is not regulated. And the city receives no tax dollars" from a booming underground industry.

A coalition that backs legalization, the Los Angeles Street Vendor Campaign, says L.A. stands alone among the 10 biggest U.S. cities in totally outlawing the practice. The Bureau of Street Services hands out hundreds of citations to street vendors

annually, each of which can result in fines of as much as \$1,000 and jail time. Police arrested more than 1,200 street vendors last year, according to a city report.

Alfonso Garcia, who sells pozole, menudo and tortas at Hansen Dam park, said his tables and other equipment had been confiscated by the city twice in the last six months, forcing him to spend hundreds of dollars to replace them and keep his business going. Being able to do business legally would give him peace of mind, Garcia said.

"We want them to not treat us like delinquents," said Jose Moreno, who sells raspados, or shaved ice treats, in the San Fernando Valley. "We want them to bring us into the light of day."

Under the plan discussed Tuesday, street vendors would be required to take a course on city rules, provide proof of liability insurance, and register to pay business taxes, among other requirements laid out Tuesday before a City Council committee. If they plan to sell food, they would also have to get the blessing of the Los Angeles County Public Health Department.

Once street vendors cleared those hurdles, they would be able to apply for a permit from either Street Services or the parks department, depending on where the vendor wanted to hawk goods.

City officials still have to figure out many more details before lawmakers can legalize street vending, including what kind of goods could be sold, what fees would be imposed for a permit, and what days and hours street vendors could operate.

In the face of bitter disagreement over the proposal, Councilman Paul Koretz cautioned that the city still had to make "fundamental decisions."

"We're starting to figure out how to" legalize it, Koretz said. But the city still lacks analysis "that would let us really even consider whether we should be doing it."

Neighborhood councils from areas such as Echo Park and Los Feliz have thrown their support behind the plan, but opponents such as the Studio City Neighborhood Council worry that legalizing street vending will clog up and dirty sidewalks, jeopardize community health and safety, and create unfair competition for local businesses that face higher costs.

Several residents and business owners argued against a "one-size-fits-all" policy, saying that areas worried about trash or congestion should be able to opt out. David Brown, treasurer of a downtown homeowners group, complained that he couldn't open his windows because of the sickening odor of a sausage cart vendor outside who refused to move.

In addition, some downtown groups sharply questioned whether L.A. will realistically be able to enforce its own regulations, pointing to complaints about existing trash and clutter.

"This city does not have the capacity to enforce much of anything," said Hal Bastian of the Downtown Los Angeles Neighborhood Council. "Just go over to skid row and watch people shooting up in the public realm.... What makes us think that we can control street vending in this city?"

Echoing such concerns, Councilman Paul Krekorian said that stricter enforcement for a legalized system would take more money, creating "a program that essentially subsidizes street vending" at a time when the city is still recovering from budget cuts. He said that the city still needed to answer a host of questions.

Councilman Gil Cedillo agreed that the plan was "not cooked yet" but said the question was how, not whether, the city would ultimately press forward.

"This is an idea whose time has come," Cedillo said. "There is no question that this is going to happen."

LA FASHION DISTRICT BID
Summary of Preliminary Un-Audited Financial Information
For the 12 Months Ending on December 31, 2014

| | Actual ¹ |
|----------------------------|---------------------|
| ASSETS | |
| Total Current Assets | \$ 2,183,297 |
| Net Property and Equipment | 159,539 |
| Total Assets | 2,342,836 |

| | |
|---|---------------------|
| LIABILITIES AND NET ASSETS | |
| Current Liabilities | 213,778 |
| Prior Retained Funds | 2,122,387 |
| Net Revenue / (Loss) YTD | 6,671 |
| Total Liabilities and Net Assets | \$ 2,342,836 |

| | Actual ¹ |
|---|---------------------|
| BID REVENUES | |
| Assessments - Current Year | \$ 3,044,225 |
| Assessments - Collection of Prior Years' Unpaid | 82,154 |
| Assessments - Penalties, Interest | 16,697 |
| G. Benefit Revenue Shortfall Reimbursement | 42,040 |
| South Alley Payments for Services Provided ² | 75,000 |
| Other Revenue | 43,228 |
| BID Revenues Sub-Total | 3,303,344 |

| | |
|--|----------------|
| OVERLAYS | |
| North Santee Alley Overlay | 281,382 |
| South Santee Alley Overlay (pass-thru) | 263,466 |
| Overlays Sub-Total | 544,848 |

| | |
|-----------------------|------------------|
| TOTAL REVENUES | 3,848,192 |
|-----------------------|------------------|

| | |
|-----------------------------------|------------------|
| BID EXPENSES | |
| Cleaning | 1,460,481 |
| Safety | 1,145,607 |
| Communication | 194,427 |
| Management | 202,071 |
| Special Projects | 159,484 |
| City Fees, Uncoll Asmnts, Deprctn | 167,172 |
| BID Renewal | - |
| BID Expenses Sub-Total | 3,329,241 |

| | |
|---|----------------|
| OVERLAYS EXPENSES | |
| North Santee Alley Overlay ³ | 248,814 |
| South Santee Alley Overlay (pass-thru) | 263,466 |
| Overlays Expenses Sub-Total | 512,280 |

| | |
|-----------------------|------------------|
| TOTAL EXPENSES | 3,841,521 |
|-----------------------|------------------|

| | |
|--------------------|-----------------|
| NET REVENUE | \$ 6,671 |
|--------------------|-----------------|

Note 1: On accrual basis

Note 2: The SS Alley reimbursed the BID for these services: Cleaning \$61,200, Safety &

Note 3: For presentation purposes this figure includes these re-allocated costs: \$61,200 f

BID LINES

LA Fashion District Business Improvement District (BID) Newsletter

BID Safe Team

2014 3rd Quarter Report

- Initiated **44,822** contacts with the public to address various issues
- Conducted **15,386** location checks for crime
- Assisted **5,725** shoppers to find store locations and lost cars

BID Clean Team

2014 3rd Quarter Report

- Removed **3,791** graffiti tags from buildings, doors and other surfaces
- Collected **543.42** tons of trash from cans, alleys, and illegal dumping
- Cleaned **5,902,282** sq. ft. of sidewalk by pressure washing/scrubbing

24-Hour Response

The LA Fashion District BID Safe & Clean Team can be reached 24 hours at 213-741-2661.



Tree Trimming Scheduled for January-February 2015

The LA Fashion District BID has contracted with Trimming Land Company (TLC) to trim trees January-February 2015. We are working with TLC to develop a plan that considers the needs of all our property owners. For example, trees in the south part of the district can be trimmed over night to avoid disrupting daytime business. Trees in the north (residential areas) will be trimmed during the day. TLC employs certified arborists who work within industry guidelines to ensure that the trees are not damaged.

We urge property owners and merchants not to undertake tree trimming on their own. The City of Los Angeles requires specific permits to trim trees and will fine anyone found illegally trimming trees. The BID can recommend a certified tree trimmer, if you want to trim trees in front of your building.

Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 2,127 tons of trash a year

Annual Board of Directors Election Results

On Tuesday, December 9th the BID announced the new Board of Directors for 2015. Welcome Mark Cohen, Steve Hersh, Darlene Kuba, Linda Markoff Becker, and Debbie Welsh. We'd also like to thank all our outgoing 2014 Board Members and welcome back returning members. Thank you for your time and service to the BID.

We received 258 ballots out of 1224 ballots mailed, representing 21.61% of the total BID assessment weight.

Welcome Incoming BID Managing Director Rena Leddy

Rena Leddy will be joining the LA Fashion District BID team as our new Managing Director in January 2015. Rena has over 20 years of downtown management experience on the East Coast and here in Los Angeles. She has also worked with BIDs across the country and with some of the best BID consulting firms, PUMA and Urban Place Consulting. Most recently, she helped re-establish the Arts District BID.

Welcome to the LA Fashion District Rena!

Safe & Clean Team Updates

Arsonist Detained by BID Safe Team Officer

In early November 2014, several trash cans were set ablaze in various locations of the Fashion District. While igniting his third fire, the suspect was stopped, detained, and arrested by Fashion District Safe Team Sergeant Marin. On December 2nd, Sergeant Marin attended the trial to testify. The suspect was charged with arson, a felony. During his preliminary hearing, the arsonist was offered five years in state prison as part of a plea deal. Congratulations to Sergeant Marin for a job well done.

BID Clean Team Works to Prevent and Alleviate Flooding

December brought heavy rains to Los Angeles, and the Fashion District Clean Team worked ardently to prevent and alleviate flooding in the district. On Wednesday, December 3rd, BID Field Supervisor Elmer Pacheco called the City's emergency sewer department to report flooding at Los Angeles and 7th Streets. The crew arrived at 4 p.m. to unclog the drain. The BID team sandbagged the area to prevent flooding in the buildings.

Thank you for 20 years Lynn!

LA Fashion District BID Managing Director, Lynn Myers is retiring at the end of January 2015. Her last day will be January 31st. Lynn has been integral to the successful creation and operation of the Fashion District BID for the last 20 years, and she will be greatly missed.

Thank you for serving the Fashion District community Lynn!



Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 2,127 tons of trash a year



#holidayfashiondistrict Ugly Sweater Instagram Contest

From December 9th to the 21st the BID ran an "ugly holiday sweater" contest on Instagram. The goal of the promotional campaign was to increase the district's visibility on social media and promote the Fashion District Instagram account @lafashiondistrict. It also helped encourage holiday shoppers to visit the district and reward fans. The contest had not yet ended at the time this newsletter was printed.

Marketing & Communications

2014 3rd Quarter Report

- **124,040** website visitors
- **574,461** website pageviews
- **34,651** Facebook fans
- **6,494** Twitter followers
- **5,391** Instagram followers
- **2,747** Pinterest followers
- **26,266** blog pageviews

"With the relaunch of the LA Fashion District website, the BID will be changing the way it reports some of the marketing and communications statistics. Moving forward, we will be tracking website pageviews, which will include blog pageviews (reported above), as the blog has been incorporated into the new site."

Santee Alley Extended Holiday Hours & Reusable Bag Promotion

The Santee Alley extended its hours for the holidays, with stores open as late as 8 p.m., December 11-28 to accommodate holiday shoppers. The BID encouraged shoppers to shop the extended hours by running extensive online promotions and organized an "in-store" event. On Friday, December 19th, shoppers who visited the alley between 3:30 and 8 p.m. received a free reusable shopping bag.

Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 2,127 tons of trash a year

Is your contact information up to date?

The LA Fashion District BID maintains a free online directory for all businesses in the Fashion District. This directory is the most visited page on our website, which receives approximately 40,000 visitors a month.

Please visit www.fashiondistrict.org/businessdirectory to see your business listing. If you need to update your business listing or would like to have your business added to the directory please contact us via email to info@fashiondistrict.org.



BID Lines LA Fashion District Business Improvement District Newsletter
 110 E 9th Street, Suite A1175, Los Angeles CA 90079 P 213.488.1153 F 213.488.1159
www.fashiondistrict.org

Return Service Requested

Yearly: Remove 12,500 graffiti tags, Conduct 53,000 crime prevention safety checks, Remove 2,127 tons of trash a Year